



**THOMAS L. GARTHWAITE, M.D.**  
Director and Chief Medical Officer

**FRED LEAF**  
Chief Operating Officer

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES  
313 N. Figueroa, Los Angeles, CA 90012  
(213) 240-8101

BOARD OF SUPERVISORS

**Gloria Molina**  
First District

**Yvonne Brathwaite Burke**  
Second District

**Zev Yaroslavsky**  
Third District

**Don Knabe**  
Fourth District

**Michael D. Antonovich**  
Fifth District

May 20, 2004

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**SOLE SOURCE AGREEMENT WITH MEDICAL ASSET MANAGEMENT, LLC  
FOR THIRD PARTY LIABILITY AND LIEN SERVICES, MED-PAY SERVICES,  
AND MED-PAY PROCEDURE SERVICES  
(All Districts) (3 Votes)**

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and instruct the Director of Health Services, or his designee, to sign the attached sole source agreement with Medical Asset Management, LLC for provisions of Third Party Liability and Lien Services, Med-Pay Services and Med-Pay Procedure Services at Harbor/UCLA Medical Center, and at the discretion of the Director of Health Services at other facilities, with contingent-fees to be paid based solely as a percentage of revenues received by the County as a direct result of these services. The agreement will be effective upon Board approval through June 30, 2004 with provisions to automatically renew the agreement on an annual basis through June 30, 2007. The agreement is expected to generate approximately \$200,000 in additional revenue annually for the term of the contract.

PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTION:

In approving this action, the Board is instructing the Director of Health Services, or his designee, to sign a sole source Agreement with Medical Asset Management, LLC (MAM) for provisions of Third Party Liability and Lien Services (TPLLS), Med-Pay Services, and Med-Pay Procedure Services (Med-Pay) at Harbor/UCLA Medical Center (Harbor) and at the discretion of the Director, at additional facilities, with contingent-fees paid to MAM based solely as a percentage of net revenue actually received by the County as a direct result of TPLLS and Med-Pay.

These services will provide the Department of Health Services (DHS) with efficient and effective filing, monitoring, and perfecting of liens, and identification of Med-Pay coverage, a provision in certain insurance policies that allows for payment of medical bills in specific circumstances, to ensure proceeds from third party personal injury claims are reimbursed to DHS at the highest possible rate.

As part of the Strategic Planning and Implementation Revenue Strategies and Cost Efficiencies (RSCE) Work Group's efforts, this sole source agreement with MAM to provide TPLLS and Med-Pay will enable the Department to use newly received TPLLS and Med-Pay funds to offset or reduce the costs of future DHS expenditures. Since MAM will be paid a contingent fee based solely on a percentage of net revenues actually received by the County as a direct result of services provided by MAM, all recoveries from these services will be achieved in a cost-effective manner and serve to maximize potential third party revenue for the County.

FISCAL IMPACT/FINANCING:

MAM has agreed to a contingent-fee rate of 30% of net revenue received by the County as a result of TPLLS and Med-Pay. DHS estimates that \$200,000 in additional annual revenue will be generated at Harbor, of which approximately \$70,000 would offset related contingent-fees on revenue ( $\$200,000 \times 30\% = \$60,000$  annually) and to reimburse contractor for fees paid by contractor to obtain Police Reports, up to a maximum of thirty-five dollars (\$35) per Med-Pay patient (estimated at approximately \$10,000 annually).

The agreement also allows the Director to negotiate the contingency fee rates for TPLLS and Med-Pay over the term of the agreement not to exceed 30% of the net revenue received by the County as a result of these services.

Funding for this agreement is included in Fiscal Year 2003-04 and Fiscal Year 2004-05 Board Adopted Budget and will be requested as a continuing appropriation in future fiscal years.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

In the effort to identify additional revenue resources and alleviate the DHS budget deficit, DHS has discussed with various vendors numerous potential revenue generating opportunities. As a result of these discussions and based on the proposal submitted by MAM and subsequent reference checks, which demonstrated its expertise, experience, and ability to readily provide TPLLS and Med-Pay services, MAM was selected to provide these services for DHS.

Trauma and emergency patients receiving medical care at DHS facilities currently may be uninsured or qualify only for minimal coverage under Medi-Cal. However, many of these uninsured patients are the victims of accidents for which there is a third party who is liable for the cost of medical care incurred by the patient. By aggressively investigating and identifying patients with third party liability claims and Med-Pay coverage, reimbursement could be obtained for medical services that would ordinarily be written off as uncollectible.

MAM will serve as a "safety net" to complement the County's own efforts and the subsequent efforts of its primary third party revenue recovery services contractors. MAM will provide third party liability claim identification and lien services and Med-Pay identification and recovery services for accounts with no identified insurance coverage to help maximize recovery from third party liability claims.

Subsequent to contract implementation, DHS will further evaluate and consider the appropriateness for County employees to assume responsibility for Med-Pay. Upon execution of this Agreement, and as requested by the Director, MAM shall assist DHS in establishing a procedure/process in pursuing Med-Pay reimbursements that will enable County staff, where appropriate, to assume responsibility of Med-Pay.

DHS Revenue Management staff will review the monthly reports for fluctuations and reasons for any fluctuations, discuss actions to mitigate any variations and address any issues that may arise. In addition, DHS RM will ensure that MAM is compliant with Health Insurance Portability and Accountability Act (HIPAA) by requiring MAM to identify implementation plans, written policies and procedures and other steps for protecting the security and confidentiality of protected health information. RM will review these plans to address deficiencies, provide feedback and, where necessary, provide training to vendor to ensure compliance.

The new standard provisions for HIPAA, Safely Surrendered Baby Law, and the Jury Service Program are included in the attached agreement. The provision for "No Payment for Services Provided Following Expiration/Termination of Contract" has not been included in this agreement because the nature of the services and payment mechanism are not of the type applicable to this provision.

The DHS System Redesign will not be impacted as a result of this action.

Attachment A provides additional information.

The attached agreement (Exhibit I) has been approved as to form by County Counsel.

#### CONTRACTING PROCESS:

These services were not advertised on the Countywide L.A. County On Line Web Site because DHS is recommending a sole source agreement with MAM. DHS currently does not have the staff and expertise to perform TPLLS and Med-Pay at the level and speed required for successful reimbursement. Since there is a long learning curve for DHS to train and recruit staff to perform these services, it is in the County's best interest to enter into a sole-source agreement with MAM. The sole source agreement is appropriate and necessary because MAM has the experience and extensive expertise to perform TPLLS and Med-Pay and is ready and able to perform.

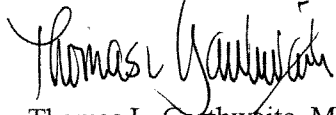
#### IMPACT ON CURRENT SERVICES (OR PROJECTS):

TPLLS and Med-Pay could potentially increase revenues to mitigate the Department's projected deficits

The Honorable Board of Supervisors  
May 20, 2004  
Page 4

When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Thomas L. Garthwaite".

Thomas L. Garthwaite, M.D.  
Director and Chief Medical Officer

TLG:cba

Attachments (2)

c: Chief Administrative Officer  
County Counsel  
Executive Officer, Board of Supervisors  
Auditor Controller

BLET/CD2795.CBA  
cba:04/01/04

**SUMMARY OF AGREEMENT**

1. TYPE OF SERVICE:

Third Party Liability and Lien Services (TPLLS), Med-Pay Services and Med-Pay Procedure Services (Med-Pay) at Harbor/UCLA Medical Center and additional facilities at the discretion of the Director of Health Services (Director).

2. AGENCY ADDRESS AND CONTACT PERSON:

Medical Asset Management, LLC  
2604-B El Camino Real, #292  
Carlsbad, California 92008  
Attention: Cinci M. Anderson  
Telephone: (760) 721-7754

3. TERM:

The agreement will be effective upon Board approval through June 30, 2004, with provisions for the Director to automatically renew the agreement on a yearly basis through June 30, 2007. The agreements may be terminated for convenience without cause with 10-days advance written notice.

4. FINANCIAL INFORMATION:

DHS estimates \$200,000 additional annual revenue at Harbor, of which approximately \$60,000 would offset related contingency fees paid to the contractor. The agreement allows for the Director to negotiate the contingency fee rates over the term of the agreement not to exceed 30% of the net revenue received by the County as a result of these services. In addition to the negotiated fee rate, for Med-Pay only, the County shall reimburse contractor for fees paid by contractor to obtain Police Reports, up to a maximum of thirty-five dollars (\$35) per Med-Pay patient.

5. ACCOUNTABLE FOR MONITORING:

Patricia Adams, Chief, Revenue Management

6. APPROVALS:

Finance: Gary W. Wells, Director

Contract Administration: Irene E. Riley, Director

County Counsel (approval as to form): Leela Kapur, Assistant County Counsel

**THIRD PARTY LIABILITY AND LIEN SERVICES, MED-PAY  
SERVICES, AND MED-PAY PROCEDURE SERVICES  
FOR  
THE DEPARTMENT OF HEALTH SERVICES**

## TABLE OF CONTENTS

<u>PARAGRAPH</u>	<u>PAGE</u>
Recitals	
1. Term.....	2
2. Description of Services.....	3
3. Billing and Payment.....	3
4. Administration.....	3
5. Authority to Use County Space and Other Property.....	3
6. Performance Standards.....	4
7. Waiver.....	4
8. Notice of Delays.....	4
9. Rules and Regulations.....	4
10. Nondiscrimination in Services.....	5
11. Nondiscrimination, Affirmative Action and Assurance of Compliance with Civil Rights.....	5
12. Records and Audits.....	7
13. Reports.....	8
14. Prohibition Against Assignment and Delegation.....	8
15. Licenses, Permits, Registrations, and Certificates.....	9
16. Unlawful Solicitation.....	10
17. Conflict of Interest.....	10
18. Restrictions on Lobbying.....	11
19. County Lobbyists.....	11

## TABLE OF CONTENTS

<u>PARAGRAPH</u>	<u>PAGE</u>
20. Entire Agreement.....	11
21. Alteration of Terms.....	12
22. Form of Business Organization.....	12
23. Independent Contractor Status.....	13
24. Indemnification.....	14
25. General Insurance Requirements.....	14
26. Covenant Against Contingent Fees.....	18
27. Authorization Warranty.....	18
28. Damage to County Facilities, Buildings, or Grounds.....	19
29. County's Obligation for Future Fiscal Years.....	19
30. Compliance with Applicable Law.....	19
31. Other Providers of Services.....	20
32. Confidentiality.....	20
33. Endorsement.....	20
34. Rights in Data.....	21
35. Trade Secrets.....	21
36. Copyrights.....	21
37. Termination for Improper Consideration.....	21
38. Termination for Insolvency.....	22



## TABLE OF CONTENTS

<u>PARAGRAPH</u>	<u>PAGE</u>
39. Termination for Default.....	23
40. Termination for Convenience.....	26
41. Contractor Cooperation Upon Expiration or Termination.....	27
42. Disclosure of Information.....	27
43. Validity.....	28
44. County Audit Settlements.....	28
45. Federal Access to Records.....	28
46. Subcontracting.....	29
47. Fair Labor Standards Act.....	31
48. Employment Eligibility Verification.....	31
49. No Intent to Create Third-Party Beneficiary Contract.....	31
50. Severability.....	32
51. Contractor Performance During Civil Unrest or Disaster.....	32
52. Most Favored Public Entity.....	32
53. Interpretation of Agreement, Specifications and Disputes.....	32
54. Consideration of Gain Program Participants for Employment.....	33
55. County's Quality Assurance Plan.....	33
56. Contractor's Warranty of Adherence to County's Child Support Compliance Program.....	34

## TABLE OF CONTENTS

<u>PARAGRAPH</u>	<u>PAGE</u>
57. Termination for Breach of Warranty to Maintain Compliance with County's Child Support Compliance Program.....	34
58. Contractor's Acknowledgment of County's Commitment to Child Support Enforcement.....	35
59. Referral of Current and Former Employees for Employment with Contractor.....	35
60. Staffing Performance While Under The Influence.....	36
61. Governing Law, Jurisdiction, and Venue.....	36
62. Resolicitation of Bids and Proposals.....	36
63. Consideration of Hiring County Employees Targeted for Layoffs.....	37
64. Contractor's Exclusion from Participation in a Federally Funded Program.....	37
65. Notice to Employees Regarding the Federal Earned Income Credit.....	38
66. Contractor Responsibility and Debarment.....	38
67. Purchasing Recycled-Content Bond Paper.....	40
68. Contractor's Obligation as a Business Associate Under the Health Insurance Portability and Accountability Act of 1996.....	40
69. Compliance with the County's Jury Service Program.....	48
70. Notice to Employees Regarding the Safely Surrendered Baby Law.....	50
71. Contractor's Acknowledgment of County's Commitment to the Safely Surrendered Baby Law.....	51
72. Notices.....	51

## TABLE OF CONTENTS

### PARAGRAPH

### PAGE

Exhibit A - Statement of Work	
Exhibit B - County Facilities to be Served	
Exhibit C - Contractor Employee Acknowledgment and Confidentiality Agreement	
Exhibit D - Contractor Employee Jury Service Program-Application for Exemption and Certification Form	
Exhibit E - Baby Surrendered Fact Sheet	
Exhibit G - Baby Surrendered Fact Sheet	

CONTRACT NO. \_\_\_\_\_

**AGREEMENT  
FOR  
THIRD PARTY LIABILITY AND LIEN SERVICES, MED-PAY SERVICES, AND  
MED-PAY PROCEDURE SERVICES**

THIS AGREEMENT is made and entered into \_\_\_\_\_ day  
of \_\_\_\_\_, 2004,

by and between	COUNTY OF LOS ANGELES (hereafter "County"),
and	MEDICAL ASSET MANAGEMENT, LLC (hereafter "Contractor")

WHEREAS, pursuant to California Health and Safety Code Sections 1441 and 1445, County has established and maintains a network, through its Department of Health Services (hereafter "Department" or "DHS"), of County hospitals, ambulatory care centers, the Consolidated Business Office, Public/Private Partnerships, Managed Care facilities, public health, support facilities and any other DHS program (hereafter collectively referred to as "Facility", "Facilities", or the name of a specific facility or program to be specified hereunder); and

WHEREAS, Contractor possesses the competence, expertise, and personnel required to provide the financial services as described herein; and

WHEREAS, County finds it necessary to secure professional Third Party Liability and Lien Services, Med-Pay Services, and Med-Pay Procedure Services (hereafter referred to as "TPLLS", "Med-Pay", and "Med-Pay Procedure", respectively); and

WHEREAS, County's Department of Health Services finds that the services to be

performed by Contractor are special and unique financial services, that no civil service employee presently qualifies to perform such services, and that it is impossible to recruit personnel to perform such services within the civil service system for the period of time required by County; and

WHEREAS, County desires to maximize revenue for Med-Pay Services in all of its Facilities, beginning with Harbor/UCLA Medical Center; and

WHEREAS, County desires to ascertain whether such Med-Pay Services to be performed by Contractor are capable of incorporation into DHS' protocols and procedures and whether such Med-Pay Services may be practically performed by DHS employees; and

WHEREAS, Contractor is a financial services firm and, by virtue of its competence and expertise in the areas of TPLLS, Med-Pay and Med-Pay Procedure Services, is qualified to perform the required services; and

WHEREAS, the term "Director" as used hereunder shall refer to Director of the Department of Health Services and/or his authorized designee; and

WHEREAS, the authority of County to enter into this Agreement for Third Party Liability and Lien Services is found in Government Code Section 31000.

NOW, THEREFORE, the parties hereto agree as follows:

1. TERM: The term of this Agreement shall commence upon Board approval and shall continue in full force and effect through June 30, 2004. Thereafter, this Agreement shall be automatically renewed for a one-year period, for a maximum of three (3) additional years through June 30, 2007, without further action by the parties, unless any party provides notice to the other party of its intent to terminate this Agreement at least ten (10) days

prior to the beginning of each automatic renewal period. Notwithstanding the foregoing, this Agreement, and the particular services specified within the Agreement, may be canceled or terminated at any time by County or Contractor with or without cause upon the giving of ten (10) days written notice.

2. DESCRIPTION OF SERVICES: Contractor shall provide services to County in the manner and form as described in the body of this Agreement and as set forth in Exhibit A-Statement of Work, attached hereto and incorporated herein by reference to the facilities listed on Exhibit B-County Facilities to be Served, attached hereto and incorporated herein by reference.

3. BILLING AND PAYMENT: For all services hereunder, Contractor shall bill County monthly, in arrears, in accordance with the fees set forth in Exhibit A, Paragraph 8, Provision for Payment, in a format approved by County.

4. ADMINISTRATION: Director, shall have the authority to administer this Agreement on behalf of County, Contractor shall designate in writing a person who shall have the authority to administer this Agreement on behalf of Contractor.

5. AUTHORITY TO USE COUNTY SPACE AND OTHER PROPERTY: In order to perform services hereunder and only for the performance of such services, Director, at his sole discretion, may authorize the Contractor to use and occupy on a nonexclusive basis space in the Facilities, as approved in writing by Director.

If, at any time during the term of this Agreement, any space indicated above is not utilized by Contractor for services hereunder, then such space shall be vacated by Contractor and may thereafter be used by County for any purpose.

6. PERFORMANCE STANDARDS: It is mutually understood and agreed that if Contractor fails to provide the services in conformance with contract requirements as specified in the body of this Agreement and in Exhibit A-Statement of Work, or if Contractor fails to comply with any written directions made by or on behalf of the County regarding this Agreement, County may terminate this Agreement in accordance with the provisions of Paragraph 39 (Termination for Default).

7. WAIVER: No waiver of a breach of any provision of this Agreement by County shall constitute a waiver of any other breach of such provision. Failure of County to enforce at any time, or from time to time, any provision of this Agreement shall not be construed as a waiver thereof. The remedies herein reserved shall be cumulative and additional to any other remedies in law or equity.

8. NOTICE OF DELAYS: Except as otherwise provided herein, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Agreement, that party shall, within five (5) working days, give notice thereof, including all relevant information with respect thereto, to the other party.

9. RULES AND REGULATIONS: During the time that Contractor's employees are at any Facility, such employees shall be subject to the rules and regulations of that Facility. It is the responsibility of Contractor to acquaint its employees who are to provide services hereunder with such rules and regulations. Contractor agrees to permanently withdraw any of its employees from the provision of services under this Agreement upon receipt of written notice from Director or his authorized designee: (1) that such employee has violated such rules or regulations; or (2) that such employee's actions, while the County premises, indicated that he

may do harm to County property, County patients, County employees or the public.

10. NONDISCRIMINATION IN SERVICES: Contractor shall not discriminate in the provision of services hereunder because of race, color, religion, national origin, ancestry, sex, age, or physical or mental handicap, and, in this respect, shall comply with all applicable requirements of Federal and State law. For the purpose of this Paragraph, discrimination in the provision of services may include, but is not limited to, the following: denying any person any service or benefit or the availability of a Facility; providing any service or benefit to any person which is not equivalent or is not provided in an equivalent manner or at an equivalent time to that provided to others; subjecting any person to segregation or separate treatment in any manner related to the receipt of any service; restricting any person in any way in the enjoyment of any advantage or privilege enjoyed by others receiving any service or benefit; and treating any person differently from others in determining admission, enrollment quota, eligibility, membership, or any other requirements or conditions which persons must meet in order to be provided any service or benefit. Contractor shall ensure that recipients of services under this Agreement are provided services without regard to race, color, religion, national origin, ancestry, sex, age, or physical or mental handicap.

11. NONDISCRIMINATION, AFFIRMATIVE ACTION AND ASSURANCE OF COMPLIANCE WITH CIVIL RIGHTS:

A. Contractor certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and will be treated equally by it without regard to, or because of race, color, religion, national origin, ancestry, sex, age, condition of physical handicap, marital status, or political affiliation, in compliance with all anti-



discrimination laws and regulations of the United States of America and the State of California as they now exist or may hereafter be amended.

B. Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, ancestry, national origin, condition of physical handicap, marital status, or political affiliation. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

C. Contractor hereby assures that it will comply with Subchapter VI of the Civil Rights Act of 1964, 42 USC Sections 2000e through 2000e(17), to the end that no person shall, on grounds of race, religion, color, sex, national origin, condition of physical handicap, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Agreement or under any project, program, or activity supported by this Agreement.

D. Contractor shall deal with its subcontractors, bidders or vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, or condition of physical handicap, marital status or political affiliation as required by all applicable anti-discrimination laws and regulations of the United State of America and the State of California as they now exist or may hereafter be amended.

E. Contractor shall allow authorized County representatives access to its employment records during regular business hours to verify compliance with these

provisions when so requested by Director.

F. If County finds that any of the above provisions have been violated, the same shall constitute a material breach of contract upon which County may determine to cancel, terminate, or suspend this Agreement. While County reserves the right to determine independently that the anti-discrimination provisions of this Agreement have been violated, in addition, a determination by the California Fair Employment Practices Commission or the Federal Equal Employment Opportunity Commission that Contractor has violated State or Federal anti-discrimination laws or regulations shall constitute a finding by County that Contractor has violated the anti-discrimination provisions of this Agreement.

G. The parties agree that in the event Contractor violates the anti-discrimination provisions of this Agreement, County shall, at its option, be entitled to a sum of Five Hundred Dollars (\$500) pursuant to California Civil Code Section 1671 as liquidated damages in lieu of canceling, terminating, or suspending this Agreement.

12. RECORDS AND AUDITS:

A. Contractor shall maintain accurate and complete financial records of its activities and operations as they relate to its services under this Agreement in accordance with generally accepted accounting principles. Contractor shall also maintain accurate and complete employment and other records of all services provided hereunder. All such records shall be retained by Contractor for a minimum period of seven (7) years following the expiration or termination of this Agreement. During such seven (7) years, as well as during the term of this Agreement, all records pertaining to this Agreement, including,

but not limited to , those described above or true and correct copies thereof, shall be retained by Contractor, or made available by Contractor, at a location in the County of Los Angeles and shall be made available within twenty (20) working days of Director's request during County normal business hours to representatives of County for purposes of inspection and audit. In the event that such records are located outside the County of Los Angeles, then, at Contractor's option, such inspection or audit shall take place at an agreed place at such location and Contractor shall pay County for travel, per diem, and other costs related to such inspection and audit.

B. In the event that an audit is conducted of Contractor specifically regarding this Agreement by any Federal or State auditor, or any auditor or accountant employed by Contractor or otherwise, Contractor shall file a copy of each such audit report with County's Auditor-Controller within thirty (30) days of Contractor's receipt thereof, unless otherwise provided under this Agreement or applicable Federal or State law. County shall make a reasonable effort to maintain the confidentiality of such audit report(s).

C. Failure on the part of Contractor to comply with the provisions of this Paragraph shall constitute a material breach of this Agreement upon which County may terminate or suspend this Agreement.

13. REPORTS: Contractor shall make reports as required by Director or his designee concerning its activities and operations hereunder.

14. PROHIBITION AGAINST ASSIGNMENT AND DELEGATION: Contractor shall not assign its rights or delegate its duties under this Agreement, or both, whether in whole or in part, without the prior written consent of County. Any assignment or delegation which does

not have such prior County consent shall be null and void. For purposes of this Paragraph 14, such County consent shall require a written amendment to this Agreement which is formally approved and executed by the delegatee or assignee on any claim under this Agreement, in consequence of any such County consent, shall reduce dollar for dollar any claims which Contractor may have against County and shall be subject to set-off, recoupment, or other reduction for any claims which County may have against Contractor, whether under this Agreement or otherwise.

Shareholders or partners, or both, of Contractor may sell, exchange, assign, divest, or otherwise transfer any interest they may have therein. However, in the event any such sale, exchange, assignment, divestment, or other transfer is effected in such a way as to give majority control of Contractor to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of this Agreement, then prior written consent thereof by County's Board of Supervisors shall be required. Any payments by County to Contractor on any claim under this Agreement shall not waive or constitute such County consent. Consent to any such sale, exchange, assignment, divestment, or other transfer shall be refused only if County, in its sole judgment, determines that the transferee(s) is (are) lacking in experience, capability, or financial ability to perform all Agreement services and other work. This in no way limits any County right found elsewhere in this Agreement, including, but not limited to, any right to terminate this Agreement.

15. LICENSES, PERMITS, REGISTRATIONS, AND CERTIFICATES:

Contractor shall obtain and maintain in effect during the term of this Agreement as set forth in Paragraph 1 above, all licenses, permits, registrations, and certificates required by law which are

applicable to its performance of this Agreement, and shall ensure that all its officers, employees, and agents, who perform services hereunder obtain and maintain in effect during the term of this Agreement, all licenses, permits, registrations, and certificates required by law which are applicable to their performance of services hereunder.

16. UNLAWFUL SOLICITATION: Contractor shall inform all of its employees who provide services hereunder of the provisions of Article 9 of Chapter 4 of Division 3 (commencing with Section 6150) of the California Business and Professions Code (i.e., State Bar Act provisions regarding unlawful solicitation as a runner or capper for attorneys) and shall take positive and affirmative steps in its performance hereunder to ensure that there is no violation of such provisions by its employees. Contractor agrees to utilize the attorney referral services of all those bar associations within Los Angeles County that have such a service.

17. CONFLICT OF INTEREST: No County employee whose position in County enables such employee to influence the award or administration of this Agreement or any competing agreement, and no spouse or economic dependent of such employee, shall be employed in any capacity by Contractor or have any other direct or indirect financial interest in this Agreement. No officer or employee of Contractor who may financially benefit from the provision of services hereunder shall in any way participate in County's approval, or ongoing evaluation, of such services, or in any way attempt to unlawfully influence County's approval or ongoing evaluation of such services.

Contractor shall comply with all conflict of interest laws, ordinances and regulations now in effect or hereafter to be enacted during the term of this Agreement. Contractor warrants that it is not now aware of any facts which create conflict of interest. If Contractor hereafter becomes

aware of any facts which might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to County. Full written disclosure shall include, without limitation, identification of all persons implicated and complete description of all relevant circumstances.

18. RESTRICTIONS ON LOBBYING: If any federal monies are to be used to pay for Contractor's services under this Agreement, Contractor shall comply with all certification and disclosure requirements prescribed by Section 319, Public Law 101-121 (31 United States Code Section 1352) and any implementing regulations, and shall ensure that each of its subcontractors receiving funds provided under this Agreement also fully complies with all such certification and disclosure requirements.

19. COUNTY LOBBYISTS: Contractor certifies that each County lobbyist as defined in Los Angeles County Code Section 2.160.010, retained by Contractor, shall fully comply with the County Lobbyist Ordinance, Los Angeles County Code Chapter 2.160. Failure on the part of any County lobbyist retained by Contractor to fully comply with the County Lobbyist Ordinance shall constitute a material breach of this Agreement upon which County may immediately terminate or suspend this Agreement.

20. ENTIRE AGREEMENT: The body of this Agreement; Exhibit A and any Attachments thereto; shall constitute the complete and exclusive statement of understanding between the parties which supersedes all previous agreements, written or oral, and all other communications between the parties relating to the subject matter of this Agreement. In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, service, or schedule, between the body of this Agreement and the other above

referenced documents, or between such other documents, such conflict or inconsistency shall be resolved by giving precedence first to the body of this Agreement and then to such other documents according to the following priority:

Exhibit A

21. ALTERATION OF TERMS: No addition to or alteration of the terms of the body of this Agreement or the Exhibit(s) attached hereto, whether by written or verbal understanding of the parties, their officers, employees, or agents shall be valid and effective unless made in the form of a written amendment which is formally adopted and executed by the parties in the same manner as this Agreement.

22. FORM OF BUSINESS ORGANIZATION: Contractor shall prepare and submit to DHS, Contracts and Grants Division, within ten (10) days following execution of this Agreement an affidavit, sworn to and executed by Contractor's duly constituted officers, containing the following information:

A. The form of Contractor's business organization, i.e., proprietorship, partnership, or corporation.

B. A detailed statement indicating whether Contractor is totally or substantially owned by another business organization.

C. A detailed statement indicating whether Contractor totally or partially owns any other business organization that will be providing services, supplies, materials or equipment to Contractor or in any manner does business with Contractor under this Agreement. If during the term of this Agreement, the form of Contractor's business organization changes, or the ownership of Contractor changes, or Contractor's ownership

of other businesses dealing with Contractor under this Agreement changes, Contractor shall promptly notify Director in writing detailing such changes.

23. INDEPENDENT CONTRACTOR STATUS:

A. This Agreement is by and between County and Contractor and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between County and Contractor. The employees and agents of one party shall not be, or be construed to be, the employees or agents of the other party for any purpose whatsoever.

B. Contractor shall be solely liable and responsible for providing to, or on behalf of, its employees all legally required employee benefits. County shall have no liability or responsibility for the payment of any salaries, wages or other compensation or benefits to any personnel provided by Contractor.

C. Contractor understands and agrees that all persons furnishing services to County pursuant to this Agreement are, for purposes of workers' compensation liability, the sole employees of Contractor and not employees of County. Contractor shall bear the sole liability and responsibility for any and all workers' compensation benefits to any person as a result of injuries arising from or connected with services performed by or on behalf of Contractor pursuant to this Agreement.

D. Acknowledgment that each of Contractor's employees understands that such person is an employee of Contractor and not an employee of County shall be signed by each employee of Contractor employed at the Facilities and shall be filed with County's Human Resources Department, Health, Safety, and Disability



Benefits Division, Wilshire Boulevard, 10<sup>th</sup> Floor, Los Angeles, California 90010. The form and content of such acknowledgment shall be substantially similar to Exhibit C (Contractor Employee Acknowledgment and Confidentiality Agreement), attached hereto and incorporated herein by reference.

24. INDEMNIFICATION: Contractor shall indemnify, defend, and hold harmless County and its Special Districts, elected and appointed officers, employees, and agents from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with Contractor's acts and/or omissions arising from and/or relating to this Agreement.

25. GENERAL INSURANCE REQUIREMENTS: Without limiting Contractor's indemnification of County, and during the term of this Agreement, Contractor shall provide and maintain, and shall require all of its subcontractors to maintain, the following programs of insurance specified in this Agreement. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by County, and such coverage shall be provided and maintained at Contractor's own expense.

A. Evidence of Insurance: Certificate(s) of other evidence of coverage satisfactory to County shall be delivered to Contracts and Grants Division, 313 North Figueroa Street, Sixth Floor-East, Los Angeles, CA 90012, prior to commencing services under this Agreement. Such certificates or other evidence shall:

- (1) Specifically identify this Agreement.
- (2) Clearly evidence all coverages required in this Agreement.
- (3) Contain the express condition that County is to be given written

notice by mail at least (30) calendar days in advance of cancellation for all policies evidenced on the certificate of insurance.

(4) Include copies of the additional insured endorsement to the commercial general liability policy, adding County of Los Angeles, its Special Districts, its officials, officers, and employees as insured for all activities arising from this Agreement.

(5) Identify any deductibles or self-insured retentions for County's approval. County retains the right to require Contractor to reduce or eliminate such deductibles or self-insured retentions as they apply to County, or, require Contractor to provide a bond guaranteeing payment of all such retained losses and related costs, including, but not limited to, expenses or fees, or both, related to investigations, claims administrations, and legal defense. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

B. Insurer Financial Ratings: Insurance is to be provided by an insurance company acceptable to County with an A. M. Best rating of not less than A:VII, unless otherwise approved by County.

C. Failure to Maintain Coverage: Failure by Contractor to maintain the required insurance, or to provide evidence of insurance coverage acceptable to County, shall constitute a material breach of contract upon which County may immediately terminate or suspend this Agreement. County, at its sole option, may obtain damages from Contractor resulting from said breach. Alternatively, County may purchase such

required insurance coverage, and without further notice to Contractor, County may deduct from sums due to Contractor any premium costs advanced by County for such insurance.

D. Notification of Incidents, Claims or Suits:

Contractor shall report to County:

(1) Any accident or incident relating to services performed under Agreement which involves injury or property damage which may result in the filing of a claim or lawsuit against Contractor and/or County. Such report shall be made in writing and submitted to the Contract Manager within twenty-four (24) hours of occurrence.

(2) Any third party claim or lawsuit filed against Contractor arising from or related to services performed by Contractor under this Agreement.

(3) Any injury to a Contractor employee which occurs on County property. This report shall be submitted on a County "Non-employee Injury Report" to County contract manager.

(4) Any loss, disappearance, destruction, misuse, or theft of any kind whatsoever of County property, monies or securities entrusted to Contractor under the terms of this Agreement.

E. Compensation for County Costs: In the event that Contractor fails to comply with any of the indemnification or insurance requirements of this Agreement, and such failure to comply results in any costs to County, Contractor shall pay full compensation for all costs incurred by County.

F. Insurance Coverage Requirements for Subcontractors: Contractor shall ensure any and all subcontractors performing services under this Agreement meet the insurance requirements of this Agreement by either:

(1) Contractor providing evidence of insurance covering the activities of subcontractors, or

(2) Contractor providing evidence submitted by subcontractors evidencing that subcontractors maintain the required insurance coverage. County retains the right to obtain copies of evidence of subcontractor insurance coverage at any time.

G. Insurance Coverage Requirements:

(1) General Liability Insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following:

General Aggregate: \$2 million

Products/Completed Operations Aggregate: \$1 million

Personal and Advertising Injury: \$1 million

Each Occurrence: \$1 million

(2) Automobile Liability Insurance (written on ISO policy form CA 00-01 or its equivalent) with a limit of liability of not less than \$1 million for each accident. Such insurance shall include coverage for all “owned”, “hired” and “non-owned” vehicles, or coverage for “any auto”.

(3) Workers Compensation and Employers’ Liability Insurance providing workers’ compensation benefits, as required by the Labor Code of the State of California or by any other state, and for which Contractor is responsible.

In all cases, the above insurance also shall include Employers' Liability coverage with limits of not less than the following:

Each Accident:	\$1 million
Disease - policy limit:	\$1 million
Disease - each employee:	\$1 million

26. COVENANT AGAINST CONTINGENT FEES:

A. Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by Contractor for the purpose of securing business.

B. For breach or violation of this warranty, County shall have the right to terminate this Agreement and, in its sole discretion, to deduct from the Agreement price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

C. Notwithstanding the foregoing, the parties to this Agreement do not intend the provisions of this paragraph to apply to Contractor's ability to earn, and right to receive, any fee under this Agreement for the performance thereof.

27. AUTHORIZATION WARRANTY: Contractor hereby represents and warrants that the person executing this Agreement for Contractor is an authorized agent who has actual authority to bind Contractor to each and every term, condition, and obligation set forth in this Agreement and that all requirements of Contractor have been fulfilled to provide such actual

authority.

28. DAMAGE TO COUNTY FACILITIES, BUILDINGS, OR GROUNDS:

A. Contractor shall repair, or cause to be repaired, or make due diligent efforts to begin such repair, at its own cost, any and all damage to Facilities, buildings or grounds caused by Contractor, as determined by County, employees of Contractor, or persons or companies making pick-ups from or deliveries to Contractor. Such repairs or due diligent efforts to begin such repairs shall be made immediately after Contractor has become aware of such damage, but in no case later than thirty (30) days after the occurrence.

B. If Contractor fails to make timely repairs, County may make any necessary repairs. All costs incurred by County, as determined by County, for such repairs shall be repaid by Contractor upon demand or County may deduct such costs from any amounts due to Contractor from County.

29. COUNTY'S OBLIGATION FOR FUTURE FISCAL YEARS: Notwithstanding any other provision of this Agreement, County shall not be obligated by any provisions of this Agreement during any of County's future (July 1-June 30) fiscal years unless the County's Board of Supervisors appropriates funds to cover County's costs of this Agreement in County's Budget for such future fiscal years. Should County's Board of Supervisors choose not to appropriate funds to cover County's costs of this Agreement, then this Agreement shall be deemed to have terminated as of July 1 of said future fiscal years.

30. COMPLIANCE WITH APPLICABLE LAW:

A. Contractor shall comply with all Federal, State and local laws,

ordinances, regulations, rules, and directives applicable to its performance hereunder.

Further, all provisions required thereby to be included in this Agreement are hereby incorporated herein by reference.

B. Contractor shall indemnify and hold harmless County from and against any and all loss, damage, liability or expense resulting from any violation on the part of Contractor, its officers, employees, or agents, of such Federal, State or local laws, ordinances, regulations, rules, or directives.

31. OTHER PROVIDERS OF SERVICES: Contractor acknowledges that it is not necessarily the exclusive provider of TPLLS, Med-Pay, and Med-Pay Procedure Services, and that County has, or may enter into, contracts with other such providers, or may itself provide these services with County employees.

32. CONFIDENTIALITY: Contractor shall maintain the confidentiality of all records and information, including, but not limited to, billings, County records, and patient records, in accordance with all applicable Federal, State, and local laws, regulations, ordinances, and directives. Contractor shall inform all its officers, employees, and agents providing services hereunder of the confidentiality provisions of this Agreement and require each of its officers, employees or agents providing services hereunder to execute an Employee Acknowledgment and Confidentiality Agreement (Exhibit C) prior to commencing work under this Agreement. Contractor shall defend, protect, and hold harmless County, its officers, employees, and agents, from and against any and all liability, expense, and demands arising out of the disclosure of records and information by Contractor, its officers, employees, or agents.

33. ENDORSEMENT: Contractor shall not, in any manner, advertise, publish

or represent that County endorses the goods or services herein mentioned without the prior written consent of County. Any published document referencing County must have prior written consent of County.

34. RIGHTS IN DATA: County obtains the right to use, duplicate, and disclose in whole or in part, in any manner, for any purpose whatsoever, and to authorize others to do writings, drawings, pictorial reproductions, or other graphical representations and works of a similar nature produced by Contractor as a result of its activities supported by this Agreement. Contractor retains the right to use, duplicate and disclose in whole or in part, in any manner, for any purposes whatsoever, all writings, drawings, pictorial reproductions, or other graphical representations and works of a similar nature produced by Contractor as a result of its activities supported by this Agreement subject to Paragraph 33, ENDORSEMENT.

35. TRADE SECRETS: Recognizing that County has no way to safeguard trade secrets or proprietary information, Contractor shall and does hereby keep and bear County harmless from all damages, costs and expenses by reason of any disclosure by County of trade secrets and proprietary information.

36. COPYRIGHTS: When publications and similar materials are developed pursuant to this Agreement, County shall retain all copyrights to such material. Such material may not be reproduced, translated, or published without prior written authorization by the County.

37. TERMINATION FOR IMPROPER CONSIDERATION: County may, by written notice to Contractor, immediately terminate the right of Contractor to proceed under this Agreement if it is found that consideration, in any form, was offered or given by Contractor,



either directly or through an intermediary, to any County officer, employee or agent with the intent of securing the Agreement or securing favorable treatment with respect to the award, amendment or extension of the Agreement or the making of any determinations with respect to the Contractor's performance pursuant to the Agreement. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by the Contractor.

Contractor shall immediately report any attempt by a County officer or employee to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (213) 974-0914 or (800) 544-6861.

Among other items, such improper consideration may take the form of cash, discounts, services, the provision of travel or entertainment, or tangible gifts.

38. TERMINATION FOR INSOLVENCY:

A. County may terminate forthwith this Agreement for default in the event of the occurrence of any of the following:

(1) Insolvency of Contractor. Contractor shall be deemed to be insolvent if it has ceased to pay its debts in the ordinary course of business or cannot pay its debts as they become due, whether it has committed an act of bankruptcy or not, and whether insolvent within the meaning of the Federal Bankruptcy Code or not.

(2) The filing of a voluntary or involuntary petition under the Federal Bankruptcy Code.

(3) The appointment of a Receiver or Trustee for Contractor.

(4) The execution by Contractor of an assignment for the benefit of creditors.

B. The rights and remedies of County provided in this Paragraph shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

39. TERMINATION FOR DEFAULT:

A. County may, subject to the provisions of Subparagraph C below, by written notice of default to Contractor, terminate the whole or any part of this Agreement in the event of any of the following circumstances:

(1) If Contractor fails to perform the services provided for under this Agreement within the time specified herein or any agreed extension thereof; or if Contractor fails to perform any of the other provisions, conditions or undertakings set forth in this Agreement, or fails to make progress in the performance of services as provided herein as to substantially endanger Contractor's performance under this Agreement in accordance with its terms, or, if in the sole judgement of the Director, Contractor fails to supply adequate workforce, adequate equipment, or fails in any respect to execute the work with the diligence, force and quality specified in this Agreement, and, under any of the foregoing circumstances, Contractor does not cure such failure within a period of ten (10) working days (or such longer period as County may authorize in writing) after receipt of notice from County specifying such failure; provided, however, that where Contractor's

curing of any default requires activity over a period of time and Contractor shall have commenced to perform whatever may be required to cure the particular default within ten (10) working days after such notice and continues to perform diligently, such time limit may be waived in the manner in which and to the extent allowed by the Director; or

(2) The failure of Contractor to maintain the County premises assigned to Contractor on a nonexclusive basis solely for the performance of services hereunder, in the state of repair required hereunder, and in a clean, sanitary, safe and satisfactory condition, where such failure continues for more than ten (10) working days after written notice from Director to correct the condition.

(3) Transfer of the majority controlling interest of Contractor to persons other than those who are in control at the time of the execution of this Agreement without written approval thereof by County.

B. In the event County terminates this Agreement in whole or in part as provided in Subparagraph A above, County may procure, upon such terms and in such manner as County may deem appropriate, services similar to those so terminated and Contractor shall be liable to County for any excess costs incurred by County, as determined by County, for such similar services, provided that Contractor shall continue the performance of this Agreement to the extent not terminated under the provisions of this Paragraph.

C. Except with respect to defaults of subcontractors, Contractor shall

not be liable for any such excess costs if its failure to perform this Agreement arises out of causes beyond the control and without the fault or negligence of Contractor, as determined by County. Such causes may include, but are not limited to, acts of God or of the public enemy, acts of County in either its sovereign or contractual capacity, acts of Federal or State governments in its sovereign capacities, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case, the failure to perform must be beyond the control and without the fault or negligence of Contractor. If the failure to perform is caused by the default of a subcontractor, and if such default arises out of causes beyond the control of both Contractor and subcontractor, and without the fault or negligence of either of them, Contractor shall not be liable for any such excess costs for failure to perform, unless the supplies or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit Contractor to meet the required performance schedule.

D. If, after the notice of termination of this Agreement under the provisions of this Paragraph, it is determined for any reason that Contractor was not in default under the provisions of this Paragraph, or the default was excusable under the provisions of this Paragraph, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Paragraph 40 (TERMINATION FOR CONVENIENCE) below.

E. The rights and remedies of County provided in this Paragraph shall not be exclusive and are in addition to any other rights and remedies provided by law or

under this Agreement.

F. As used in Subparagraph C above, the terms “subcontractor” and “subcontractors” means subcontractor(s) at any tier.

40. TERMINATION FOR CONVENIENCE: The performance of services under this Agreement may be terminated by either County or Contractor, with or without cause, in whole or in part, from time to time when such action is deemed by either County or Contractor to be in its best interest. The termination of service hereunder shall be effected by delivery to County or to Contractor of a ten (10) day advance Notice of Termination specifying the extent to which performance of services under this Agreement is terminated and the date on which such termination becomes effective.

After receipt of a Notice of Termination by County or Contractor, and except as otherwise directed by County, Contractor shall:

A. Stop services under this Agreement on the date and to the extent specified in such Notice of Termination.

B. Complete performance of such part of the services as shall not have been terminated by such Notice of Termination and receive contingent fees, as applicable, as set forth in Exhibit A, Paragraph 8 (PROVISION FOR PAYMENT).

C. Except as otherwise directed by the County, Contractor may continue services under this Agreement for accounts referred to Contractor prior to the effective termination date and receive contingent fees, as applicable, as set forth in Exhibit A, Paragraph 8 (PROVISION FOR PAYMENT).

After receipt of a Notice of Termination by either Contractor or County, Contractor shall

submit to County its termination claim and invoice. Such claim and invoice shall be submitted promptly, but not later than sixty (60) calendar days from the effective date of termination. Upon failure of Contractor to submit its termination claim and invoice within the time allowed, County may determine on the basis of information available to County, the amount, if any, due to Contractor in respect to the termination, and such determination shall be final. After such determination is made, County shall pay Contractor the amount so determined.

Contractor, for a period of five (5) years after final settlement under this Agreement, shall make available to County, at all reasonable times, all its books, records, documents, or other evidence bearing on the costs and expenses of Contractor under this Agreement in respect to the termination of services hereunder. All such books, records, documents, or other evidence shall be retained by Contractor at a location in Los Angeles County and shall be made available during County's normal business hours, within ten (10) working days of prior written notice, to representatives of the County for purposes of inspection and audit.

41. CONTRACTOR COOPERATION UPON EXPIRATION OR TERMINATION:

Upon the expiration or termination of this Agreement, Contractor shall reasonably cooperate with County to provide for the transition to whatever service replacement method County determines to be in its best interest.

42. DISCLOSURE OF INFORMATION: Contractor shall not disclose any details in connection with this Agreement to any third party, except as may be otherwise provided herein or required by law. However, in recognizing the Contractor's need to identify its services and related clients to sustain itself, the County shall not inhibit Contractor from publicizing its role under this Agreement within the following conditions:

A. Contractor shall develop all publicity material in a professional manner.

B. During the course of performance on this Agreement, Contractor, its employees, agents, and subcontractors shall not publish or disseminate commercial advertisements, press release, opinions or feature articles, using the name of the County without the prior written consent of the Chief Administrative Office (CAO) and County Counsel.

43. VALIDITY: The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision.

44. COUNTY AUDIT SETTLEMENTS: If, at any time during the term of this Agreement or at any time after the expiration or termination of this Agreement, representatives of County conduct an audit of Contractor regarding the services provided to County hereunder; and if such audit finds that County's dollar liability for such services is less than the payments made by County to Contractor, then the difference shall at Director's option, be either repaid by Contractor to County by cash payment upon demand, or deducted from any amounts due to Contractor from County. If such audit finds that County's dollar liability for services provided hereunder is more than the payments made by County to Contractor, then the difference shall be paid to Contractor by County by cash payment.

45. FEDERAL ACCESS TO RECORDS: If, and to the extent that, Section 1861 (v) (1) (I) of the Social Security Act (42 U.S.C. Section 1395(v) (1) (I) is applicable, Contractor agrees that for a period of four (4) years following the furnishing of services under this Agreement, Contractor shall maintain and make available, upon written request, to the

Secretary of the United States Department of Health and Human Services or the Controller General of the United States, or to any of their authorized representatives, the contracts, books, documents and records of Contractor which are necessary to verify the nature and extent of the costs of services provided hereunder. Furthermore, if Contractor carries out any of the services provided hereunder through any subcontract with a value or cost of Ten Thousand Dollars (\$10,000) or more over a twelve (12) month period with a related organization (as that term is defined under Federal law), Contractor agrees that each such subcontract shall provide for such access to subcontract, books, documents and records of the subcontractor.

46. SUBCONTRACTING: Although it is the intent of the parties that all services hereunder are to be provided by Contractor's employees, both parties agree that Contractor may encounter occasional need for highly specialized or unusual skills or special emergency services for which Contractor may find it necessary to subcontract. The requirements for such limited use of subcontracting are as follows:

A. No performance of this Agreement or any portion thereof shall be subcontracted by Contractor without the prior written consent of Director. Any attempt by Contractor to subcontract any performance of services under this Agreement without the prior written consent of Director, shall be null and void and shall constitute a material breach of this Agreement.

B. In the event Director may consent to subcontracting, each and all of the provisions of this Agreement and any amendment thereto shall extend to, shall be binding upon, and inure to the benefit of, the successors or administrators of the respective parties.



C. In the event that Director should consent to subcontracting, Contractor shall include in all subcontracts the following provision: "This contract is a subcontract under the terms of a prime contract with the County of Los Angeles and shall be subject to all the provisions of such prime contract. All representations and warranties shall inure to the benefit of the County of Los Angeles."

D. Contractor's request to Director for approval to enter into a subcontract shall include:

- (1) A description of the services to be provided by the subcontract.
- (2) Identification of the proposed subcontractor and an explanation of why and how the proposed subcontractor was selected.
- (3) Any other information and/or certifications requested by Director.

E. All subcontracts shall be made in the name of Contractor and shall not bind nor purport to bind County. The making of subcontracts hereunder shall not relieve Contractor of any requirement under this Agreement, including, but not limited to, the duty to properly supervise and coordinate all the work of Contractor and any subcontractor. Approval of the provisions of any subcontract by Director shall not be construed to constitute a determination of the allocability of any cost under this Agreement.

F. Contractor shall be solely liable and responsible for any and all payments and other compensation for all subcontractors. County shall have no liability or responsibility for any payment or other compensation for any subcontractor.

47. FAIR LABOR STANDARDS ACT: Contractor shall comply with all applicable provisions of the Federal Fair Labor Standards Act, and shall indemnify, defend, and hold harmless County, its agents, officers and employees from any and all liability including, but not limited to, wages, overtime pay, liquidated damages, penalties, court costs, and attorneys' fees arising under any wage and hour law including, but not limited to, the Federal Fair Labor Standards Act for services performed by Contractor's employees for which County may be found jointly or severally liable.

48. EMPLOYMENT ELIGIBILITY VERIFICATION: Contractor warrants that it fully complies with all Federal statutes and regulations regarding employment of aliens and others, and that all its employees performing services hereunder meet the citizenship or alien status requirements contained in Federal statutes and regulations. Contractor shall obtain, from all covered employees performing services hereunder, all verification and other documentation of employment eligibility status required by Federal statutes and regulations as they currently exist and as they may be hereafter amended. Contractor shall retain such documentation for all covered employees for the period prescribed by law. Contractor shall indemnify, defend, and hold harmless County, its officers and employees from employer sanctions and any other liability which may be assessed against Contractor or County in connection with any alleged violation of Federal statutes or regulations pertaining to the eligibility for employment of persons performing services under this Agreement.

49. NO INTENT TO CREATE THIRD-PARTY BENEFICIARY CONTRACT:  
Notwithstanding any other provision of this Agreement, the parties do not in any way intend that any person shall acquire any rights as a third party beneficiary under this Agreement.

50. SEVERABILITY: If any provision of this Agreement or the application thereof to any person or circumstance is held invalid, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby.

51. CONTRACTOR PERFORMANCE DURING CIVIL UNREST OR DISASTER: Contractor recognizes that health care facilities maintained by County provide care essential to the residents of the communities they serve, and that these services are of particular importance at the time of a riot, insurrection, civil unrest, natural disaster, or similar event. Notwithstanding any other provision of this Agreement, full performance by Contractor during any riot insurrection, civil unrest, natural disaster, or similar event is not excused if such performance remains physically possible. Failure to comply with this requirement shall be considered a material breach by Contractor for which Director may suspend or County may immediately terminate this Agreement.

52. MOST FAVORED PUBLIC ENTITY: If Contractor's price declines, or should Contractor, at any time during the term of this Agreement, provide the same goods or services under similar quantity and delivery conditions to the State of California or to any county, municipality, or district of the State at prices below those set forth in this Agreement, then such lower prices shall be immediately extended to County.

53. INTERPRETATION OF AGREEMENT, SPECIFICATIONS AND DISPUTES: Should any misunderstanding arise, Director shall interpret the Agreement. If the Contractor disagrees with the interpretation of Director, Contractor shall continue with the work in accordance with Director's interpretation. Within thirty (30) calendar days after receipt of the interpretation, Contractor may file a written request with the Director for a hearing before a

Dispute Review Panel as provided herein below. The written request shall outline in detail the area of dispute.

The Dispute Review Panel will be appointed by Director and will be composed of not less than three (3) County personnel having experience in the administration of financial and consulting services contracts. The Panel will convene within one (1) week of appointment in order to hear all matters related to the dispute. The hearing will be informal and formal rules of evidence will not apply. The Panel will submit its recommendation to the Director, for his consideration, within one (1) week following the conclusion of the hearing. Director shall render a final interpretation upon his review of the Panels' recommendation.

54. CONSIDERATION OF GAIN PROGRAM PARTICIPANTS FOR EMPLOYMENT: Should Contractor require additional or replacement personnel after the effective date of this Agreement, Contractor shall give consideration for any such employment openings to participants in the County's Department of Public Social Services' Greater Avenues for Independence ('GAIN') Program who meet Contractor's minimum qualifications for the open position. The County will refer GAIN participants by job category to the Contractor.

55. COUNTY'S QUALITY ASSURANCE PLAN: The County or its agent will evaluate Contractor's performance under this Agreement on not less than an annual basis. Such evaluation will include assessing Contractor's compliance with all contract terms and performance standards. Contractor's deficiencies which County determines are severe or continuing and that may place performance of Agreement in jeopardy if not corrected will be reported to the Board of Supervisors. The report will include improvement/corrective action measures taken by the County and Contractor. If improvement does not occur consistent with the

corrective action measures, County may terminate this Agreement or impose other penalties as specified in this Agreement.

56. CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM: Contractor acknowledges that County has established a goal of ensuring that all individuals who benefit financially from County through Agreement are in compliance with their court-ordered child, family, and spousal support obligations in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

As required by County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting Contractor's duty under this Agreement to comply with all applicable provisions of law, Contractor warrants that it is now in compliance and shall during the term of this Agreement maintain in compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or Child Support Services Department (CSSD) Notices of Wage and Earnings Assignment for Child, Family, or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

57. TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM: Failure of Contractor to maintain compliance with the requirements set forth in Paragraph 56, "Contractor's Warranty of Adherence to County's Child Support Compliance Program", shall constitute default under this Agreement. Without limiting the rights and remedies available to County under any other provision of this Agreement, failure of Contractor to cure such default

within ninety (90) calendar days of written notice shall be grounds upon which County may terminate this Agreement pursuant to Paragraph 39, "Termination for Default" and pursue debarment of Contractor, pursuant to County Code Chapter 2.202.

58. CONTRACTOR'S ACKNOWLEDGMENT OF COUNTY'S COMMITMENT TO CHILD SUPPORT ENFORCEMENT: Contractor acknowledges that County places a high priority on the enforcement of child support laws and the apprehension of child support evaders. Contractor understands that it is the County's policy to encourage all County Contractors to voluntarily post the County's "L.A.'s Most Wanted: Delinquent Parents" poster in a prominent position at Contractor's place of business. The County's Child Support Services Department will supply Contractor with the poster to be used.

59. REFERRAL OF CURRENT AND FORMER EMPLOYEES FOR EMPLOYMENT WITH CONTRACTOR: Contractor shall accept referrals from Office of Human Resources (OHR) of qualified current and former County employees for consideration of employment with Contractor. Such consideration for employment shall be limited to the vacancies in Contractor's staff needed to perform services under this Agreement. If such referrals result in offers of employment, such offers shall be made once, shall be in writing, shall indicate whether the position is full-time or part-time, and shall be valid for a period of ten (10) calendar days from the date the offer is made, unless such period is extended at Contractor's option. Such offers shall be for vacancies which occur in the Contractor's staff, beginning with Board approval of this Agreement and throughout the term of this Agreement. Employment offers to such employees shall be under at least the same conditions and rates of compensation which apply to other persons who are employed or may be employed by Contractor. Contractor

shall maintain records of such offers to include a description of the position and duties, the rate of pay and fringe benefits, and whether the offer was accepted, rejected, or not responded to within the allocated time period. Such employees who are employed by Contractor under this Paragraph shall not be discharged during the term of this Agreement except for cause. At the time of any such discharge for cause, Contractor shall notify OHR Human Resources staff and other County staff who may be designated in writing by Director. The provisions of Paragraphs 23 (Independent Contractor Status), 24 (Indemnification), and 25 (General Insurance Requirements) shall apply to such employees who are employed by contractor under the Paragraph.

Notwithstanding any other provisions of this Agreement, the parties do not in any way intend that any persons shall acquire any rights as a third-party beneficiary of this Agreement.

60. STAFFING PERFORMANCE WHILE UNDER THE INFLUENCE: Contractor shall use reasonable efforts to ensure that no employee will perform services hereunder while under the influence of any alcoholic beverage, medication, narcotic, or other substance which might impair his/her physical or mental performance.

61. GOVERNING LAW, JURISDICTION, AND VENUE: This Agreement shall be governed by, and construed in accordance with, the laws of the State of California. Contractor agrees and consents to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Agreement and further agrees and consents that venue of any action brought hereunder shall be exclusively in the County of Los Angeles, California.

62. RESOLICITATION OF BIDS AND PROPOSALS: Contractor acknowledges that County, prior to expiration of earlier termination of this Agreement, may exercise its right to

invite bids or request proposals for the continued provision of the services delivered or contemplated under this Agreement. The County and its Department of Health Services shall make the determination to resolicit bids or request proposals in accordance with applicable County and Department of Health Services policies.

Contractor acknowledges that County may enter into a contract for the future provision of services, based upon the bids or proposals received, with a provider or providers other than Contractor. Further, Contractor acknowledges that it obtains no greater right to be selected through any future invitation for bids or request for proposals by virtue of its present status as Contractor.

63. CONSIDERATION OF HIRING COUNTY EMPLOYEES TARGETED FOR LAYOFFS: Should Contractor require additional personnel after the effective date of this Agreement to perform the services set forth herein, Contractor shall give first consideration for such employment openings to qualified permanent County employees who are targeted for layoff or qualified former County employees who are on a reemployment list during the life of this Agreement in compliance with Paragraph 59 (REFERRAL OF CURRENT AND FORMER COUNTY EMPLOYEES FOR EMPLOYMENT WITH CONTRACTOR) above.

64. CONTRACTOR'S EXCLUSION FROM PARTICIPATION IN A FEDERALLY FUNDED PROGRAM: Contractor hereby warrants that neither it nor any of its staff members is restricted or excluded from providing services under any health care program funded by the federal government, directly or indirectly, in whole or in part, and that Contractor will notify Director within thirty (30) calendar days in writing of: (1) any event that would require Contractor or a staff member's mandatory exclusion from participation in a federally funded



health care program; and (2) any exclusionary action taken by any agency of the federal government against Contractor or one (1) or more staff members barring it or the staff members from participation in a federally funded health program, whether such bar is direct or indirect, or whether such bar is in whole or in part.

Contractor shall indemnify and hold County harmless against any and all loss or damage County may suffer arising from any Federal exclusion of Contractor or its staff members from such participation in a federally funded health care program. Failure by Contractor to meet the requirements of this Paragraph shall constitute a material breach upon which County may immediately terminate or suspend this Agreement.

65. NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT: Contractor shall notify its employees, and shall require each contractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the Federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service notice 1015.

66. CONTRACTOR RESPONSIBILITY AND DEBARMENT:

A. A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness, as well as qualify, fitness, capacity, and experience to satisfactorily perform the contract. It is County's policy to conduct business only with responsible Contractors.

B. Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if County acquires information concerning the performance of Contractor on this Agreement or other contracts, which indicates that Contractor is not responsible,

County may in addition to other remedies provided in the Agreement, debar Contractor from bidding or proposing on, or being awarded, and/or performing work on County Agreements for a specified period of time not to exceed three (3) years, and terminate this Agreement and any or all existing agreements Contractor may have with County.

C. County may debar a Contractor if the Board of Supervisors finds, in its discretion, that Contractor has done any of the following: (1) violated any term of an Agreement with County or a nonprofit corporation created by County, (2) committed an act of omission which negatively reflects on Contractor's quality, fitness, or capacity to perform an Agreement with County or any other public entity, or a nonprofit corporation created by County, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against County or any other public entity.

D. If there is evidence that Contractor may be subject to debarment, Director will notify Contractor in writing of the evidence which is the basis for the proposed debarment and will advise Contractor of the scheduled date for a debarment hearing before the County's Contractor Hearing Board.

E. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or Contractor's representative, or both, shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether Contractor should be debarred, and , if so, the appropriate length of time of the debarment. The Contractor and the Department

shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.

F. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

G. These terms shall also apply to any sub-contractors/subconsultants of County Agreements.

67. PURCHASING RECYCLED-CONTENT BOND PAPER: Consistent with the Board of Supervisors' policy to reduce the amount of solid waste deposited at County landfills, Contractor agrees to use recycled-content paper to the maximum extent possible in connection with services to be performed under this Agreement.

68. CONTRACTOR'S OBLIGATION AS A BUSINESS ASSOCIATE UNDER THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996: Under this Agreement, Contractor (also Business Associate) provides services to County (also Covered Entity) and Business Associate receives, has access to or creates Protected Health Information in order to provide those services. "Covered Entity" is subject to the Administrative Simplification requirements of the Health Insurance Portability and Accountability Act of 1996, and regulations promulgated thereunder, including the Standards for Privacy of Individually Identifiable Health Information at 45 Code of Federal Regulations Parts 160 and 164 ("Privacy Regulations");

The Privacy Regulations require Covered Entity to enter into a contract with Business Associate in order to mandate certain protections for the privacy and security of Protected Health Information, and those Regulations prohibit the disclosure to or use of Protected Health Information by Business Associate if such a contract is not in place; Therefore, the parties agree as follows:

A. Definitions:

1. "Disclose" and "Disclosure" mean, with respect to Protected Health Information, the release, transfer, provision of access to, or divulging in any other manner of Protected Health Information outside Business Associate's internal operations or to other than its employees.

2. "Individual" means the person who is the subject of Protected Health Information and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. § 164.502(g).

3. "Protected Health Information" has the same meaning as the term "protected health information" in 45 C.F.R. § 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity. Protected Health Information includes information that (i) relates to the past, present or future physical or mental health or condition of an Individual; the provision of health care to an Individual, or the past, present or future payment for the provision of health care to an Individual; (ii) identifies the Individual (or for which there is a reasonable basis for believing that the information can be used to identify the Individual); and (iii) is received by Business Associate from or on behalf of Covered Entity, or is created by Business Associate, or is made accessible to

Business Associate by Covered Entity.

4. "Required By Law" means a mandate contained in law that compels an entity to make a Use or Disclosure of Protected Health Information and that is enforceable in a court of law. Required by law includes, but is not limited to, court orders and court-ordered warrants; subpoenas or summons issued by a court, grand jury, a governmental or tribal inspector general, or any administrative body authorized to require the production of information; a civil or an authorized investigative demand; Medicare conditions of participation with respect to health care providers participating in the program; and statutes or regulations that require the production of information, including statutes or regulations that require such information if payment is sought under a government program providing benefits.

5. "Services" has the same meaning as in the body of this Agreement.

6. "Use" or "Uses" mean, with respect to Protected Health Information, the sharing, employment, application, utilization, examination or analysis of such Information within Business Associate's internal operations.

7. Terms used, but not otherwise defined, in this Paragraph 68 shall have the same meaning as those terms in the Privacy Regulations.

B. OBLIGATIONS OF BUSINESS ASSOCIATE:

1. Permitted Uses and Disclosures of Protected Health Information. Business Associate:

(a) shall Use and Disclose Protected Health Information as necessary to perform the Services, and as provided in Sections B.3., B.4., B.5., B.6., B.7.,

B.8., D.3. and E.2. of this Agreement.

(b) shall Disclose Protected Health Information to Covered Entity upon request;

(c) may, as necessary for the proper management and administration of its business or to carry out its legal responsibilities:

(1) Use Protected Health Information; and

(2) Disclose Protected Health Information if the Disclosure is

Required by Law. Business Associate shall not Use or Disclose Protected Health Information for any other purpose.

2. Adequate Safeguards for Protected Health Information. Business Associate warrants that it shall implement and maintain appropriate safeguards to prevent Use or Disclosure of Protected Health Information in any manner other than as permitted by this Paragraph 68. Business Associate agrees to limit the Use and Disclosure of Protected Health Information to the minimum necessary in accordance with the Privacy Regulation's minimum necessary standard.

3. Reporting Non-Permitted Use or Disclosure. Business Associate shall report to Covered Entity each Use or Disclosure that is made by Business Associate, its employees, representatives, agents or subcontractors but is not specifically permitted by this Agreement. The initial report shall be made by telephone call to (the Departmental Privacy Officer), telephone number (213) 240-7908 within forty-eight (48) hours from the time the Business Associate becomes aware of the non-permitted Use or Disclosure, followed by a full written report no later than ten (10) business days from the date the

Business Associate becomes aware of the non-permitted Use or Disclosure to the Chief Information Privacy Officer at:

Chief Information Privacy Officer  
Kenneth Hahn Hall of Administration  
500 West Temple St., Suite 493  
Los Angeles, CA 90012

4. Mitigation of Harmful Effect. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a Use or Disclosure of Protected Health Information by Business Associate in violation of the requirements of this Paragraph 68.

5. Availability of Internal Practices, Books and Records to Government Agencies. Business Associate agrees to make its internal practices, books and records relating to the Use and Disclosure of Protected Health Information available to the Secretary of the federal Department of Health and Human Services for purposes of determining Covered Entity's compliance with the Privacy Regulations. Business Associate shall immediately notify Covered Entity of any requests made by the Secretary and provide Covered Entity with copies of any documents produced in response to such request.

6. Access to Protected Health Information. Business Associate shall, to the extent Covered Entity determines that any Protected Health Information constitutes a "designated record set" as defined by 45 C.F.R. § 164.501, make the Protected Health Information specified by Covered Entity available to the Individual(s) identified by Covered Entity as being entitled to access and copy that Protected Health Information.

Business Associate shall provide such access for inspection of that Protected Health Information within two (2) business days after receipt of request from Covered Entity. Business Associate shall provide copies of that Protected Health Information within five (5) business days after receipt of request from Covered Entity.

7. Amendment of Protected Health Information. Business Associate shall, to the extent Covered Entity determines that any Protected Health Information constitutes a “designated record set” as defined by 45 C.F.R. § 164.501, make any amendments to Protected Health Information that are requested by Covered Entity. Business Associate shall make such amendment within ten (10) business days after receipt of request from Covered Entity in order for Covered Entity to meet the requirements under 45 C.F.R. § 164.526.

8. Accounting of Disclosures. Upon Covered Entity’s request, Business Associate shall provide to Covered Entity an accounting of each Disclosure of Protected Health Information made by Business Associate or its employees, agents, representatives or subcontractors.

Any accounting provided by Business Associate under this Section B.8., shall include: (a) the date of the Disclosure; (b) the name, and address if known, of the entity or person who received the Protected Health Information; (c) a brief description of the Protected Health Information disclosed; and (d) a brief statement of the purpose of the Disclosure. For each Disclosure that could require an accounting under this Section B.8., Business Associate shall document the information specified in (a) through (d), above, and shall securely maintain the information for six (6) years from the date of the



Disclosure. Business Associate shall provide to Covered Entity, within ten (10) business days after receipt of request from Covered Entity, information collected in accordance with this Section B.8., to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528.

C. OBLIGATION OF COVERED ENTITY: Covered Entity shall notify Business Associate of any current or future restrictions or limitations on the use of Protected Health Information that would affect Business Associate's performance of the Services, and Business Associate shall thereafter restrict or limit its own uses and disclosures accordingly.

D. TERM AND TERMINATION:

1. Term. The term of this Paragraph 68 shall be the same as the term of this Agreement. Business Associate's obligations under Sections B.1. (as modified by Section 4.B., D.2., B.3., B.4., B.5., B.6., B.7., B.8., D.3. and E.2. shall survive the termination or expiration of this Agreement.

2. Termination for Cause. In addition to and notwithstanding the termination provisions set forth in this Agreement, upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall either:

(a) Provide an opportunity for Business Associate to cure the breach or end the violation and terminate this Agreement if Business Associate does not cure the breach or end the violation within the time specified by Covered Entity;

(b) Immediately terminate this Agreement if Business Associate has breached a material term of this Agreement and cure is not possible; or

(c) If neither termination nor cure are feasible, Covered Entity shall report the violation to the Secretary of the federal Department of Health and Human Services.

3. Disposition of Protected Health Information Upon Termination or Expiration

(a) Except as provided in Paragraph (2) of this section, upon termination for any reason or expiration of this Agreement, Business Associate shall return or destroy all Protected Health Information received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the Protected Health Information.

(b) In the event that Business Associate determines that returning or destroying the Protected Health Information is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make infeasible. If return or destruction is infeasible, Business Associate shall extend the protections of this Agreement to such Protected Health Information and limit further Uses and Disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such Protected Health Information.

E. MISCELLANEOUS:

1. No Third Party Beneficiaries. Nothing in this Paragraph 68 shall confer upon any person other than the parties and their respective successors or assigns, any rights, remedies, obligations, or liabilities whatsoever.

2. Use of Subcontractors and Agents. Business Associate shall require each of its agents and subcontractors that receive Protected Health Information from Business Associate, or create Protected Health Information for Business Associate, on behalf of Covered Entity, to execute a written agreement obligating the agent or subcontractor to comply with all the terms of this Paragraph 68.

3. Relationship to Services Agreement Provisions. In the event that a provision of this Paragraph 68 is contrary to another provision of this Agreement, the provision of this Paragraph 68 shall control. Otherwise, this Paragraph 68 shall be construed under, and in accordance with, the terms of this Agreement.

4. Regulatory References. A reference in this Paragraph 68 to a section in the Privacy Regulations means the section as in effect or as amended.

5. Interpretation. Any ambiguity in this Paragraph 68 shall be resolved in favor of a meaning that permits Covered Entity to comply with the Privacy Regulations.

6. Amendment. The parties agree to take such action as is necessary to amend this Paragraph 68 from time to time as is necessary for Covered Entity to comply with the requirements of the Privacy Regulations.

69. COMPLIANCE WITH THE COUNTY'S JURY SERVICE PROGRAM: This Contract is subject to the provisions of the County's ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code.

A. Unless Contractor has demonstrated to the County's satisfaction either that Contractor is not a "Contractor" as defined under the Jury Service Program (Section

2.203.020 of the County Code) or that Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), Contractor shall have and adhere to a written policy that provides that its Employees shall receive from the Contractor, on an annual basis, no less than five (5) days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the Contractor or that the Contractor deduct from the Employee's regular pay the fees received for jury service.

B. For purposes of this Subparagraph, "Contractor" means a person, partnership, corporation or other entity which has a contract with the County or a subcontract with a County Contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more County contracts or subcontracts. "Employee" means any California resident who is a full-time employee of Contractor. "Full-time" means 40 hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the County, or (2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of 90 days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If Contractor uses any subcontractor to perform services for the County under the Contract, the subcontractor shall also be subject to the provisions of this Sub-paragraph. The provisions of this Subparagraph shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the agreement.

C. If Contractor is not required to comply with the Jury Service Program when the Contract commences, Contractor shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and Contractor shall immediately notify County if Contractor at any time either comes within the Jury Service Program's definition of "Contractor" or if Contractor no longer qualifies for an exception to the Jury Service Program. In either event, Contractor shall immediately implement a written policy consistent with the Jury Service Program. The County may also require, at any time during the Contract and at its sole discretion, that Contractor demonstrate to the County's satisfaction that Contractor either continues to remain outside of the Jury Service Program's definition of "Contractor" and/or that Contractor continues to qualify for an exception to the Program. Attached hereto, as Exhibit D, is the required form, "County of Los Angeles Contractor Employee Jury Service Program Application for Exemption and Certification Form", to be completed by the Contractor.

D. Contractor's violation of this Sub-paragraph of the Contract may constitute a material breach of the Contract. In the event of such material breach, County may, in its sole discretion, terminate the Contract and/or bar Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach.

70. NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW: The Contractor shall notify and provide to its employees, and shall require each subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The fact sheet is set forth in Exhibit E of this contract and is also available on

the Internet at [www.babysafela.org](http://www.babysafela.org) for printing purposes.

71. CONTRACTOR'S ACKNOWLEDGMENT OF COUNTY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW: The Contractor acknowledges that the County places a high priority on the implementation of the Safely Surrendered Baby Law. The Contractor understands that it is the County's policy to encourage all County contractors to voluntarily post the County's "Safely Surrendered Baby Law" poster in a prominent position at the Contractor's place of business. The Contractor will also encourage its Subcontractors, if any, to post this poster in a prominent position in the Subcontractor's place of business. The County's Department of Children and Family Services will supply the Contractor with the poster to be used.

72. NOTICES: Notices hereunder shall be in writing and shall be hand delivered with signed receipt or mailed by first class, registered or certified mail, postage prepaid to the parties at the following addresses and to the attention of the persons named. Director shall have the authority to execute all notices which are required or permitted by County under this Agreement. Addresses and persons to be notified may be changed by either party by giving ten (10) days prior written notice thereof to the other party.

A. Notices to County shall be addressed as follows:

To County: Department of Health Services  
Revenue Services  
313 North Figueroa Street, Room #527  
Los Angeles, California 90012

Attention: Chief, Revenue Service  
  
Department of Health Services  
LAC+USC Medical Center

1200 North State Street  
Los Angeles, California 90033

Attention: Chief Financial Officer

Department of Health Services  
Harbor/UCLA Medical Center  
1000 West Carson Street  
Torrance, California 90509

Attention: Chief Financial Officer

Consolidated Business Office  
5701 S. Eastern Avenue  
Commerce, California 90040

Attention: Director

Department of Health Services  
King/Drew Medical Center  
12021 South Wilmington Avenue  
Los Angeles, California 90059

Attention: Chief Financial Officer

Department of Health Services  
Contracts and Grants Division  
313 North Figueroa Street, Sixth Floor East  
Los Angeles, California 90012

Attention: Director

B. Notices to Contractor shall be addressed as follows:

To Contractor: Medical Asset Management, LLC  
2604-B El Camino Real, #292  
Carlsbad, California 92008

Attention: Cinci M. Anderson

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has  
caused this Agreement to be subscribed by its

/

/

/

/

/

/

/

/

/

/

/

/

/

/

/

/

/

/

/

/



Director of Health Services, and Contractor has caused this Agreement to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By \_\_\_\_\_  
Thomas L. Garthwaite, M.D.  
Director and Chief Medical Officer

MEDICAL ASSET MANAGEMENT, LLC  
Contractor

By \_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

Title \_\_\_\_\_

Date \_\_\_\_\_  
(AFFIX CORPORATE SEAL)

APPROVED AS TO FORM  
BY THE OFFICE OF THE COUNTY COUNSEL

\_\_\_\_\_  
Deputy

APPROVED AS TO CONTRACT  
ADMINISTRATION:

Department of Health Services

By \_\_\_\_\_  
Irene E. Riley, Director  
Contract Administration

AGREECD3062.CBA  
cba:05/20/04

## **EXHIBIT A**

### **STATEMENT OF WORK**

#### **THIRD PARTY LIABILITY AND LIEN SERVICES, MED-PAY SERVICES, AND MED-PAY PROCEDURE SERVICES**

##### **PREAMBLE**

For nearly a decade, the County has collaborated with its community partners to enhance the capacity of the health and human services system to improve the lives of children and families. These efforts require, as a fundamental expectation, that the County's contracting partners share the County and community's commitment to provide health and human services that support achievement of the County's vision, goals, values, and adopted outcomes. Key to these efforts is the integration of service delivery systems and the adoption of the Customer Service and Satisfaction Standards.

The County of Los Angeles' Vision is to improve the quality of life in the County by providing responsive, efficient, and high quality public services that promote the self-sufficiency, well-being and prosperity of individuals, families, business and communities. This philosophy of teamwork and collaboration is anchored in the shared values of:

- |                   |                         |
|-------------------|-------------------------|
| - Responsiveness  | - Integrity             |
| - Professionalism | - Commitment            |
| - Accountability  | - A Can-Do Attitude     |
| - Compassion      | - Respect for Diversity |

These shared values are encompassed in the County Strategic Plan's eight goals: 1) Service Excellence; 2) Workforce Excellence; 3) Organizational Effectiveness; 4) Fiscal Responsibility; 5) Children and Families' Well-Being; 6) Community Services; 7) Health and Mental Health; and 8) Public Safety. Improving the well-being of children and families requires coordination, collaboration, and integration of services across functional and jurisdictional boundaries, by and between County departments/agencies, and community and contracting partners.

The basic conditions that represent the well-being we seek for all children and families in Los

Angeles County are delineated in the following five (5) outcomes, adopted by the Board of Supervisors in January 1993.

- Good Health;
- Economic Well-Being;
- Safety and Survival;
- Emotional and Social Well-Being; and
- Education and Workforce Readiness.

Recognizing no single strategy - in isolation - can achieve the County's outcome of well-being for children and families, consensus has emerged among County and community leaders that making substantial improvements in integrating the County's health and human services system is necessary to significantly move toward achieving these outcomes. The County has also established the following values and goals for guiding this effort to integrate the health and human services delivery system:

- Families are treated with respect in every encounter they have with the health, educational, and social services systems.
- Families can easily access a broad range of services to address their needs, build on their strengths, and achieve their goals.
- There is no "wrong door" wherever a family enters the system is the right place.
- Families receive services tailored to their unique situations and needs.
- Service providers and advocates involve families in the process of determining service plans, and proactively provide families with coordinated and comprehensive information, services, and resources.
- The County service system is flexible, able to respond to service demands for both the Countywide population and specific population groups.
- The County service system acts to strengthen communities, recognizing that just as individuals live in families, families live in communities.
- In supporting families and communities, County agencies work seamlessly with public

and private service providers, community-based organizations, and other community partners.

- County agencies and their partners work together seamlessly to demonstrate substantial progress towards making the system more strength-based, family-focused, culturally-competent, accessible, user-friendly, responsive, cohesive, efficient, professional, and accountable.
- County agencies and their partners focus on administrative and operational enhancements to optimize the sharing of information, resources, and best practices while also protecting the privacy rights of families.
- County agencies and their partners pursue multi-disciplinary service delivery, a single service plan, staff development opportunities, infrastructure enhancements, customer service and satisfaction evaluation, and revenue maximization.
- County agencies and their partners create incentives to reinforce the direction toward service integration and a seamless service delivery system.
- The County human service system embraces a commitment to the disciplined pursuit of results accountability across systems. Specifically, any strategy designed to improve the County human services system for children and families should ultimately be judged by whether it helps achieve the County's five (5) outcomes for children and families: good health, safety and survival, economic well-being, social and emotional well-being, and education and workforce readiness.

The County, its clients, contracting partners, and the community are working together to develop practical ways to make County services more accessible, customer friendly, better integrated, and outcome-focused. Several departments have identified shared themes in their strategic plans for achieving these goals including: making an effort to become more consumer/client-focused; valuing community partnerships and collaborations; emphasizing values and integrity; and using a strengths-based and multi-disciplinary team approach. County departments are also working to provide the Board of Supervisors and the community with a better understanding of how resources are being utilized, how well services are being provided, and what are the results of the services; is anyone better off?

The County of Los Angeles health and human service departments and their partners are working together to achieve the following **Customer Services and Satisfaction Standards** in support of improving outcomes for children and families.

### Personal Service Delivery

The service delivery team-staff and volunteers-will treat customers and each other with courtesy, dignity, and respect.

- Introduce themselves by name
- Listen carefully and patiently to customers
- Be responsive to cultural and linguistic needs
- Explain procedures clearly
- Build on the strengths of families and communities

### Service Access

Service providers will work proactively to facilitate customer access to services.

- Provide services as promptly as possible
- Provide clear directions and service information
- Outreach to the community and promote available services
- Involve families in service plan development
- Follow-up to ensure appropriate delivery of services

### Service Environment

Service providers will deliver services in a clean, safe, and welcoming environment, which supports the effective delivery of services.

- Ensure a safe environment
- Ensure a professional atmosphere
- Display vision, mission, and values statements
- Provide a clean and comfortable waiting area
- Ensure privacy
- Post complaint and appeals procedures

The basis for all County health and human services contracts is the provision of the highest level of quality services that support improved outcomes for children and families. The County and its contracting partners must work together and share a commitment to achieve a common vision, goals, outcomes, and standards for providing services.

1. DEFINITIONS: For the purposes of this Exhibit A - Statement of Work - the

following definitions apply:

A. Accepted Account: An Accepted Account is a Referred Account which has been accepted by the Contractor for processing in accordance with the provisions of this Third Party Liability and Lien Services ("TPLLS"), Med-Pay Services ("Med-Pay"), and Med-Pay Procedure Services ("Med-Pay Procedure") Agreement.

B. Med-Pay: Med-Pay is a provision in certain insurance policies, primarily automobile insurance policies, that allows for payment of medical bills in specific circumstances. Med-Pay does not include payment under a health insurance policy, a health plan, workers' compensation benefits, Medi-Cal, or Medicare.

C. Med-Pay Procedures: Med-Pay Procedures are those procedures that encompass actions necessary to secure Med-Pay reimbursement.

D. Med-Pay Services: Med-Pay Services are those services provided by Contractor necessary to receive Med-Pay revenue.

E. Referred Account: A Referred Account is an account which has been forwarded to the Contractor by the Facility, in accordance with the provisions of this TPLLS, Med-Pay, and Med-Pay Procedure Agreement and as identified in Paragraph 5, SCOPE OF WORK, herein, for Contractor's assessment and acceptance/rejection.

F. Returned Account: A Returned Account is a Referred Account which has been returned to the Facility by the Contractor, in accordance with the provisions of this TPLLS, Med-Pay and Med-Pay Procedure Agreement.

2. CONTRACTOR PERSONNEL:

A. Contractor shall designate a Contract Manager to lead and coordinate Contractor's provision of services pursuant to this Agreement. Contractor shall notify County, in writing, of the name, telephone(s), pager, and facsimile/FAX numbers of the designated Contract

Manager within ten (10) calendar days of the effective date of this agreement.

B. Contractor shall work independently on designated assignments in accordance with this Statement of Work.

C. Notwithstanding any representation by County regarding the participation of County personnel in any phase of this project, Contractor assumes sole responsibility for the timely accomplishment of all activities assigned in this Agreement.

3. COUNTY PERSONNEL AND RECORDS:

A. County does not anticipate assigning any County employees to assist Contractor on a full-time basis regarding services to be provided by Contractor pursuant to this Agreement. However, County personnel will be made available to Contractor, at the Director's discretion, to provide input and assistance in order to answer questions and provide necessary liaison between Contractor and County departments.

B. The various operational/administrative records and statistics of County's health operations as defined in the Access to Information Paragraph 7 below relevant to performance of Contractor requirements hereunder shall be available to Contractor for review and evaluation whenever deemed appropriate and feasible by Director, and as may be allowed by applicable law.

4. COUNTY FURNISHED PROPERTY AND SERVICES: Contractor shall furnish all labor, materials, supplies, personnel, equipment, and administrative support necessary for the provision of all services to be provided under this Agreement.

At the Director's sole discretion, the County may assign space, chairs, and desks, on a non-exclusive basis, for work area and related use by the Contractor. In the event the Director assigns space to the Contractor, Contractor shall use the space only for the purpose of the performance of services hereunder. The Contractor is prohibited from use of such space, desks, and chairs for the purposes other

than for the performance of this Agreement.

At the Director's sole discretion, the County may provide access to automated registration systems, telephones, fax machines, typewriters, and photocopying equipment, on a non-exclusive basis, for the purpose of Contractor's performance of this Agreement. Contractor is prohibited from use of such equipment for the purposes other than for the performance of this Agreement.

5. SCOPE OF WORK: The following indicates the areas of individual tasks and general services assigned to Contractor.

A. Contractor shall provide TPLLS, to Harbor/UCLA Medical Center, and, at Director's discretion with concurrence of Contractor, to any additional new Facilities. TPLLS shall include, but not be limited to, identifying, pursuing, and monitoring third party liability claim reimbursement for patients receiving medical care at County Facilities with no insurance or health plan coverage or where the plan or policy is insufficient to fully pay the account, as determined by the Director. TPLLS shall not include recovery of Workers' Compensation, Medi-Cal or Medicare reimbursement.

B. At the Director's discretion with the concurrence of Contractor, Contractor shall provide Med-Pay Services to Harbor/UCLA Medical Center and any additional Facilities, as determined by the Director. Med-Pay Services shall include, but not be limited to, identification, pursuit, and payment of Med-Pay Services coverage for patients receiving medical care at County Facilities with no other insurance or health plan coverage, or where the plan or policy is insufficient to fully pay the account, as determined by the Director. Med-Pay Services shall not include recovery of Workers' Compensation, Medi-Cal, or Medicare reimbursement.

C. Upon request of the Director, Contractor shall provide Med-Pay Procedure Services ("Med-Pay Procedures") to DHS. Med-Pay Procedures shall include instructing DHS as to the methods, procedures, and processes used by Contractor to perform Med-Pay Services.



Such methods, procedures, and processes shall include, but not be limited to, those employed to obtain and use police reports, to identify potential Med-Pay reimbursable patient services, to contact insurance companies and Med-Pay patients, and to prepare "Quick Bills".

D. Director may, in his sole discretion, forward Referred Accounts to Contractor, throughout the term of this Agreement, identified as follows: (1) self-pay accounts determined by the Director to have partially or fully unpaid balances; (2) non-self-pay accounts, whether billed or unbilled as having third-party coverage and have potential third-party liability claims; (3) other delinquent accounts that may be eligible for reimbursement from third party liability claims as determined by the Director, and/or (4) from different automated systems than herein specified. Notwithstanding the above, Director reserves the right to recall Referred Accounts or restrict specific accounts or account types from referral to Contractor. Director will, at his sole discretion, provide Contractor all pertinent data related to Referred Accounts.

6. SERVICES TO BE PERFORMED BY CONTRACTOR: Contractor shall provide County with the following:

A. TPLLS shall be provided by Contractor for Harbor/UCLA Medical Center, except as otherwise determined by Director, after the County's own efforts and the efforts of its primary contractor have been exerted.

1. Contractor shall readily accept County's patient financial, admission, eligibility, and other data in formats (electronic media, magnetic tape, hard copies, or other formats that become available) determined by Director.

2. Contractor shall review Referred Accounts for acceptance/rejection and return all Referred Accounts not being pursued, including all supporting documentation, to County within thirty (30) calendar days, or at a time frame determined by the Director not to exceed one hundred eighty (180) calendar days, after Contractor

initially received the Referred Accounts from County.

3. Contractor shall provide all Facilities receiving TPLLS with a monthly listing (magnetic tape, compact disk, or paper) of Referred Accounts for which: (a) there is an existing third party claim with an identified third party payer, and (b) potential underlying third party claim with a potential third party liability payer.

4. Contractor shall provide all Facilities receiving TPLLS with a monthly listing, as determined by Director, of Referred Accounts that are eligible for TPLLS for which Contractor has conducted a review sufficient to ensure that no lien by County has been filed or is pending. Facilities will notify Contractor in writing if the Referred Account(s) from the listing is currently being pursued by the County and Contractor shall discontinue pursuing reimbursement for such Referred Account and return such Referred Account to the Facility within thirty (30) calendar days.

5. Contractor shall develop fully ready for submission and file, unless otherwise instructed by Director, completed third party liability liens to the respective third party.

6. Contractor shall pursue full reimbursement for all Accepted Accounts. An Accepted Account may be settled or compromised by Contractor for less than its full outstanding balance only upon written authorization of the Director. Prior to the acceptance of such settlement or compromise, Contractor shall submit to the Director in writing the proposed settlement or compromise, stating the proposed amount and the reason for compromise. For this purpose, Contractor shall provide County all information and/or documentation in a time frame requested by Director. If County personnel are required to attend hearings and/or settlement conferences, Contractor shall notify Director at a minimum of fifteen (15) business days in advance of the

hearing/conference date.

7. Contractor shall request the necessary information/documentation i.e., patient discharge summaries, etc., needed to perfect valid third party liens directly from the source organizations i.e., Utilization Review, Medical Records, Patient Financial Services, etc. Contractor shall provide personnel to assist in retrieving/photocopying documents as may be requested by the Director/applicable Facilities.

8. Contractor shall maintain a lien payment tracking system to identify by account, category of Accepted Accounts as determined by Director, Facility, and in total, accounts collected, pending, and Returned Accounts, including reason(s), to Facilities. Contractor shall provide aging reports for lien accounts on a monthly basis, or as requested by Director/applicable Facilities.

9. Contractor shall maintain a comprehensive audit trail, including all documentation substantiating liens filed and collections made as a result of TPLLS, and provide audit and appeal support to County, including responding to auditor requests for documentation and information and interfacing with the auditors during document review. Contractor shall make available all audit supporting documentation in format and frequency requested by the Director.

10. Contractor shall provide complete detailed written documentation of the systems, methods, and procedures employed in producing TPLLS identification, lien filing, collection, account posting, and denial follow-up activities. Such documentation exclusive of software shall be provided upon expiration of the term of this Agreement, should Director so notify Contractor.

11. Contractor shall provide various weekly/monthly management

reports regarding TPLLS identification, liens filed, collections, and other reports, in formats, content, and frequency determined by the Director.

12. Upon termination of this Agreement, Contractor shall return all Referred Accounts and Accepted Accounts to County that are unresolved, including all supporting documentation within thirty (30) calendar days, or at a time frame determined by the Director, of termination.

B. Med-Pay Services shall be provided by Contractor for Harbor/UCLA Medical Center, except as otherwise determined by Director and as further defined in 6.B.11., below.

1. Contractor shall readily accept County's patient financial, admission, eligibility, and other data in formats (electronic media, magnetic tape, hard copies, or other formats that become available) determined by Director.

2. Contractor shall review Referred Accounts for acceptance/rejection and return all Referred Accounts not being pursued, including all supporting documentation, to County within thirty (30) days, or at a time frame determined by the Director not to exceed one hundred twenty (120) calendar days, after Contractor initially received the Referred Accounts from County.

3. Contractor shall provide all Facilities receiving Med-Pay with a monthly listing (magnetic tape, compact disk, or paper) of Referred Accounts for which Med-Pay coverage is identified by the Contractor and available for payment to the County.

4. Contractor shall identify and pursue potential Med-Pay reimbursement to the extent available for all Accepted Accounts. Such identification and pursuit may include, but is not limited to, the following:

- (a) Determination of Med-Pay coverage and availability;
- (b) Obtain and review Police Reports;
- (c) Coordination of payment with the Med-Pay insurance carrier;
- (d) Obtaining and forwarding a Quick Bill from the Facility to the insurance carrier.
- (e) Investigation of Med-Pay insurance coverage; and
- (f) Negotiation with Med-Pay insurance coverage representatives.

5. Contractor shall request the necessary information/documentation, i.e., patient discharge summaries, Quick Bill, etc, needed to pursue and receive Med-Pay reimbursement directly from the source organization i.e., Utilization Review, Medical Records, Patient Financial Services, etc. Contractor shall provide personnel to assist in retrieving/photocopying documents as may be requested by the Director/applicable Facilities.

6. Contractor shall maintain a Med-Pay tracking system to identify by account, category of Accepted Accounts as determined by Director, Facility, and in total, amounts collected, pending, and Accounts Returned, including reason(s), to Facilities. Contractor shall provide aging reports for accounts billed each month or as requested by Director/applicable Facilities.

7. Contractor shall maintain a comprehensive audit trail substantiating all Med-Pay activities.

8. Contractor shall provide complete detailed written documentation of the systems, methods, and procedures employed in producing Med-Pay identification, collection, account posting, and denial follow-up activities. Such documentation

exclusive of software shall be provided upon expiration of the term of this Agreement, should Director so notify Contractor.

9. Contractor shall provide various weekly/monthly management reports regarding Med-Pay identifications, collections, and other reports, in formats, content, and frequency determined by the Director.

10. Upon termination of this Agreement, Contractor shall return all Referred Accounts and Accepted Accounts to County that are unresolved, including all supporting documentation, within thirty (30) calendar days of such termination.

11. Contractor understands and acknowledges that, upon request of Director, Med-Pay Services shall no longer be provided at Harbor/UCLA Medical Center by Contractor, effective no sooner than two hundred ten (210) days after the effective day of this Agreement. Upon such cessation of Med-Pay Services at Harbor/UCLA Medical Center and at the discretion of the Director, Med-Pay Services shall be provided at Olive View/UCLA Medical Center. Effective no sooner than two hundred ten (210) days after the commencement of Med-Pay Services at Olive View/UCLA Medical Center and at the discretion of the Director, Med-Pay Services shall no longer be provided at Olive View/UCLA Medical Center by Contractor. Upon such cessation of Med-Pay Services at Olive View/UCLA Medical Center and at the discretion of the Director, Med-Pay Services shall be provided at LAC+USC Medical Center. Effective no sooner than two hundred ten (210) days after the commencement of Med-Pay Services at LAC+USC Medical Center and at the discretion of the Director, Med-Pay Services shall no longer be provided at LAC+USC Medical Center by Contractor. Upon such cessation of Med-Pay Services at LAC+USC Medical Center and at the discretion of the Director, Med-Pay Services shall be provided at MLK/Drew Medical Center. Effective no sooner than

two hundred ten (210) days after the commencement of Med-Pay Services at MLK/Drew Medical Center and at the request of Director, Med-Pay shall no longer be provided at MLK/Drew Medical Center by Contractor.

It is understood that the schedule as described in this paragraph 6.B.11., may be adjusted at the discretion of the Director.

C. Med-Pay Procedures: Med-Pay Procedures shall be provided by Contractor for DHS, as requested by Director. Contractor acknowledges that County desires to determine the feasibility and desirability of incorporating Med-Pay services into DHS' procedures and protocol with such Med-Pay services to be performed by DHS employees. Contractor agrees to assist in accomplishing this goal. Contractor further agrees that such assistance and cooperation will be provided at no additional cost to the County.

Contractor acknowledges that such Med-Pay Procedures shall commence at Harbor/UCLA Medical Center, at the discretion of the Director, no later than ninety (90) days after the effective date of this Agreement and shall be completed no later than one hundred twenty (120) days after the commencement of such Med-Pay Procedures at Harbor/UCLA Medical Center.

Contractor acknowledges that such Med-Pay Procedures shall commence at Olive View/UCLA Medical Center, at the discretion of the Director, effective no sooner than three hundred (300) days after the effective date of this Agreement, or no sooner than ninety (90) days after the commencement of Med-Pay Services at Olive View/UCLA Medical Center, whichever occurs later, and shall be completed no later than one hundred twenty (120) days after the commencement of such Med-Pay Procedures at Olive View/UCLA Medical Center.

Contractor acknowledges that such Med-Pay Procedures shall commence at LAC+USC Medical Center, at the discretion of the Director, effective no sooner than five

hundred ten (110) days after the effective date of this Agreement, or no sooner than ninety (90) days after the commencement of Med-Pay Services at LAC+USC Medical Center, whichever occurs later, and shall be completed no later than one hundred twenty (120) days after the commencement of such Med-Pay Procedures at LAC+USC Medical Center.

Contractor acknowledges that such Med-Pay Procedures shall commence at MLK/Drew Medical Center, at the discretion of the Director, effective no sooner than seven hundred twenty (720) days after the effective date of this Agreement or no sooner than ninety (90) days after the commencement of Med-Pay Services at MLK/Drew Medical Center, whichever occurs later, and shall be completed no later than one-hundred twenty (120) days after the commencement of such Med-Pay Procedures at MLK/Drew Medical Center.

(1) Contractor shall cooperate with County's efforts to learn methods, procedures, and processes employed to successfully secure Med-Pay reimbursement.

(2) Contractor shall provide County with information regarding conducting Med-Pay identification investigations, including providing County with access to interviews, where appropriate, and/or hard copies of documents used in such investigations.

(3) Contractor shall provide County with information regarding methods used to identify insurance personnel, law enforcement agencies, and any other relevant entities necessary for the successful reimbursement of Med-Pay claims.

(4) Contractor shall provide County with information regarding procedures and protocols to identify and pursue potential Med-Pay reimbursement which shall include, but are not limited to, the following:

(a) Identifying potential Med-Pay patients by medical condition, age, other status

(b) Determining Med-Pay coverage and availability



- (c) Obtaining and reviewing Police Reports
- (d) Coordinating payment with the Med-Pay insurance carrier and securing authorization, where necessary
- (e) Securing and forwarding a Quick Bill from the Facility to the Med-Pay insurance carrier
- (f) Negotiating with Med-Pay insurance coverage representatives, as needed

5. Contractor shall provide County with all information requested within a reasonable time, not to exceed ten (10) work days. In the event Contractor is unable to provide County with requested information, Contractor shall inform County, in writing of the reason(s) Contractor is not able to comply.

7. ACCESS TO INFORMATION: In order for Contractor to perform the services described in this Exhibit A-Statement of Work, Paragraph 6 - Services to be Performed by Contractor, County shall cooperate with Contractor by affording Contractor access to such financial, medical and other operating data as may be available at any office of County and/or at the appropriate Facility, as Contractor may reasonably request and as may be allowed by applicable law, including, but not limited to the following:

- A. Current demographic, admission, and registration data from the respective Facility admission and registration system (i.e., McKesson, Affinity, etc.) files, as available in magnetic tape form on a monthly or more frequent basis;
- B. Inpatient and ambulatory care monthly self-pay and non-self-pay billings as available in magnetic tape form and on a monthly or more frequent basis;
- C. File layouts for each of the computer files specified in Subparagraphs A and B, above, and Subparagraph H below;

D. Copies of inpatient and ambulatory care self-pay and non-self-pay billing folders, as available from the appropriate Facility;

E. Access to McKesson and Affinity systems for inquiry purposes;

F. County patient medical records, for purposes of determining and verifying dates of patient service and other diagnostic information required for successful completion of services referred to in this Exhibit A - Statement of Work, Paragraph 6 hereinabove;

G. McKesson, Affinity, or other County contractor patient accounting and accounts receivable information in magnetic tape form on a weekly or monthly basis, along with associated file layouts;

H. At Director's discretion, with concurrence of Contractor, any additional files, documents, system access, or information deemed appropriate to facilitate performance of the services described in Paragraph 6 - Services to be Performed by Contractor hereinabove.

8. PROVISION FOR PAYMENT: Subject to the body of this Agreement, County shall compensate Contractor hereunder as set forth in this Paragraph 8 - Provision for Payment. The term "payments" as used in this Paragraph 8 includes cash, credits, and transfers received by County. The term "payments" as used in this Paragraph 8 shall not include any Worker's Compensation, Medicare, or Medi-Cal payments whatsoever, including cost report settlements, nor shall it include any block grant monies, including, but not limited to, SB 855, SB 1255 funds and 1115 Waiver funds.

Also, subject to the provision of this Agreement:

A. The fee payable to Contractor with respect to TPLLS and Med-Pay payments received by the County as a consequence of Exhibit A - Statement of Work - Paragraph 6, shall be negotiated by Contractor and Director, but not be greater than thirty percent (30%) of the payments received by the County on Accepted Accounts. In addition to the negotiated fee, for Med-Pay payments only, County shall reimburse Contractor for fees paid by Contractor to

obtain Police Reports, up to a maximum of Thirty-Five Dollars (\$35) per Med-Pay patient. To receive the Police Report fee reimbursement, Contractor shall include a copy of the Police Report and/or Police Report fee receipt with the invoice, pursuant to Paragraph 8, subparagraph "B" below.

Notwithstanding the foregoing, Contractor shall not be entitled to receive a fee percentage on any payment made on an Accepted Account: 1) under a health insurance policy naming the Accepted Account patient as an insured, or 2) under any health plan of which the Accepted Account patient is a member, or 3) in partial or full satisfaction of the Accepted Account patient's claim for Workers' Compensation benefits, or 4) by Medi-Cal or Medicare.

B. Payments on Accepted Accounts from the account debtor or other payer shall be made payable and sent to the County. All amounts payable to Contractor pursuant to this Paragraph 8 shall be paid by County to Contractor within a reasonable period of time following County's receipt of complete and correct payments from the account patient or other payer resulting from TPLLS and Med-Pay. County shall pay Contractor within a reasonable period of time, as negotiated by Director and Contractor, upon receipt by the County of an invoice detailing the payments received by County from TPLLS and Med-Pay.

C. Contractor also agrees to submit sufficient documentation with all invoices pursuant to this Paragraph 8 which shall include the following information:

1. Invoice/control numbers of all billing submitted
2. Dates of billings
3. Copies of Police Reports and/or Police Report fee receipts
4. Amounts due to Contractor
5. Other documentation as requested by the County.

D. In no case shall Contractor be entitled to any fee calculated pursuant to this

Paragraph 8 for any payments received by County or Facilities prior to date of commencement of this Agreement or any payments received by County or Facilities on Referred Accounts subsequent to the effective date of discontinuance or termination of such services. Subsequent to and notwithstanding the termination of this Agreement, Contractor shall be entitled to receive a fee calculated pursuant to Subsection A of this Paragraph 8 on all Accepted Accounts for which payments were made to the County and were outstanding and unpaid at the time of termination. The payment of said fee to Contractor by County for an particular paid Accepted Account shall be made within a reasonable time (but no later than 90 days). In the event this Agreement is terminated pursuant to Paragraphs 37, 38, 39, or 69 in the body of this Agreement, County shall be entitled to an offset against fees which become due under this Subparagraph C for all damages suffered by County by reason of any breach of this Agreement by Contractor which gave rise to the cause for termination.

E. Contractor hereby agrees that any fees paid by County to Contractor pursuant to this Paragraph 8 for TPLLS and Med-Pay, and later disallowed through audit or otherwise recouped by the payer, shall be repaid/offset to County. All repayments/offsets of fees to be made by Contractor shall be due and payable by Contractor upon Contractor's receipt of an itemized invoice indicating the specific nature and amount of the audit disallowance and/or recoupment and affirming County's intention to immediately repay any disallowance to the third party payer. If Contractor fails to immediately reimburse County following its receipt of such invoice, Director may, at his sole discretion, deduct such amount from future payments to Contractor. In this regard, Contractor shall be relieved of its responsibilities under this Paragraph 8E. if the County does not notify Contractor of any audit disallowance and/or recoupments within one hundred and eighty (180) days of County's receipt of any final disallowance report and/or recoupment notification or within six (6) years of the date of the

payment of the commercial insurance claims to County.

In no case shall Contractor be entitled to any fee or payment whatsoever for services pursuant to Med-Pay Procedures described in Paragraph 6.C. SERVICES TO BE PERFORMED BY CONTRACTOR, above. Such Med-Pay Procedures shall be provided, upon request of the County, without remuneration.

F. Contractor also agrees to maintain records sufficient to document all billings submitted and admissions monitored as part of this project. The records shall serve as the basis of the computations required pursuant to this Paragraph 8 and shall contain the following information:

- (1) Accepted Accounts billed/monitored;
- (2) Invoice/control numbers;
- (3) Dates of billings to account debtors/third parties;
- (4) Amounts paid to County, by invoice/control number;
- (5) Dates of payments to County;
- (6) Amounts due to Contractor; and
- (7) Dates of payments to Contractor by County. County shall

cooperate in providing Contractor with access to the information necessary for Contractor to maintain such ledgers and Contractor shall make such ledgers available to County for its inspection.

G. Contractor also agrees to maintain records sufficient to document all claims submitted and paid as part of this project. The records shall serve as the basis of the computations required pursuant to this Paragraph 8 and shall contain all information listed in Paragraph F above.

H. County shall be liable to Contractor with regard to amounts payable to

Contractor for services performed hereunder only insofar as the bills processed and approved cover County self-pay and non self-pay patients as specified in Exhibit A - Statement of Work, Paragraph 6, SERVICES TO BE PERFORMED BY CONTRACTOR.

9. ADDITIONAL COVENANTS OF CONTRACTOR: In performing the services described in this Exhibit A- Statement of Work for TPLLS and Med-Pay, Contractor shall:
- A. Use reasonable care to avoid duplicate invoicing;
  - B. If so requested in advance by County, return all the material provided by County pursuant to this Exhibit A, promptly and in the same condition and sequence in which received;
  - C. Maintain the confidentiality of all information regarding County patient and Hospital financial records. Contractor contractually recognizes the confidentiality of all County patient data and therefore, shall obtain/extract only that information needed to discover and generate required third party liability claim information. All such collected information shall remain the property of County;
  - D. Upon termination of Agreement, if so requested by the Director, Contractor shall provide County, in a format designated by the Director, with the data currently maintained in performance of TPLLS and Med-Pay in accordance with this Exhibit A - Statement of Work.
  - E. In contacting patients of the County's Facilities, Contractor shall be courteous and shall abide by and comply with all applicable Federal, State and local statutes, ordinances, rules and regulations.

## EXHIBIT B

### COUNTY FACILITIES TO BE SERVED

#### NORTHEAST

LAC+USC Medical Center  
1200 North State Street  
Los Angeles, CA 90033

Monrovia Health Center  
330 West Maple Avenue  
Monrovia, CA 91016

Central Health Center  
241 North Figueroa Street  
Los Angeles, California 90012

Roybal Comprehensive Health Center  
245 S. Fetterly Avenue  
Los Angeles, CA 90022

El Monte Comprehensive Health Center  
10953 Ramona Boulevard  
El Monte, CA 91731

Whittier Health Center  
7643 S. Painter Avenue  
Whittier, CA 90602

La Puente Health Center  
15930 Central Avenue  
La Puente, CA 91744

H. Claude Hudson Comprehensive Health Center  
2829 South Grand Avenue  
Los Angeles, CA 90007

#### COASTAL

Harbor/UCLA Medical Center  
1000 West Carson  
Torrance, CA 90509

Long Beach CHC  
1333 Chestnut Avenue  
Long Beach, CA 90813

Avalon Health Center  
215 Summer Avenue  
Catalina Island, CA 90704

Torrance Health Center  
2300 Carson Street  
Torrance, CA 90501

Bellflower Health Center  
10005 East Flower Street  
Bellflower, CA 90202

Wilmington Health Center  
1325 Broad Avenue  
Wilmington, CA 90744

Harbor Health Center  
122 West Eighth Street  
San Pedro, CA 90731

**EXHIBIT B (Con't.)**

**COUNTY FACILITIES TO BE SERVED**

Hawaiian Gardens Health Center  
22310 Wardham Street  
Hawaiian Gardens, CA 90716

**SOUTHWEST**

Martin Luther King Jr./Drew Medical Center  
12021 South Wilmington Avenue  
Los Angeles, CA 90059

Rancho Los Amigos Medical Center  
7601 East Imperial Highway  
Downey, CA 90242

Compton Health Center  
300 East Rosecrans Boulevard  
Compton, CA 90221

Hubert H. Humphrey Comprehensive Health Center  
5850 S. Main Street  
Los Angeles, CA 90003

South Health Center  
1522 East 102<sup>nd</sup> Street  
Los Angeles, CA 90002

**SAN FERNANDO VALLEY**

Olive View/UCLA Medical Center  
14445 Olive View Drive  
Sylmar, CA 91342

Glendale Health Center  
501 North Glendale Avenue  
Glendale, CA 901206

Burbank Health Center  
1101 West Magnolia Boulevard  
Burbank, CA 91506



**COUNTY FACILITIES TO BE SERVED**

Mid-Valley Comprehensive Health Center  
7515 Van Nuys Boulevard  
Van Nuys, CA 91405

Pacoima Health Center  
13300 Van Nuys Boulevard  
Pacoima, CA 91331

San Fernando Health Center  
300 North Brand Avenue  
San Fernando, CA 91340

**ANTELOPE VALLEY**

Antelope Valley Health Center  
335-B East Avenue K6  
Lancaster, CA 93535

High Desert Health System  
4449 N. 60<sup>th</sup> Street West  
Lancaster, CA 93536

**CONTRACTOR EMPLOYEE  
ACKNOWLEDGMENT AND CONFIDENTIALITY AGREEMENT**

Project Name \_\_\_\_\_ Contract Number \_\_\_\_\_

Contractor/Employer Name \_\_\_\_\_

GENERAL INFORMATION:

Your employer referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires your signature on this Contractor Employee Acknowledgment and Confidentiality Agreement.

EMPLOYEE ACKNOWLEDGMENT:

I understand and agree that the Contractor referenced above is my sole employer for purposes of the above-referenced Contract. I understand and agree that I must rely exclusively upon my employer for payment of salary and any and all other benefits payable to me or on behalf by virtue of my performance of work under the above-referenced Contract.

I understand and agree that I am not an employee of the County of Los Angeles for any purpose whatsoever and that I do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced Contract. I understand and agree that I do not have and will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

CONFIDENTIALITY AGREEMENT:

You may be involved with work pertaining to services provided by the County of Los Angeles and, if so, you may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, you may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. If you are to be involved in County work, the County must ensure that you, too, will protect the confidentiality of such data and information.

Consequently, you must sign this agreement as a condition of your work to be provided by your employer for the County. Please read this agreement and take due time to consider it prior to signing.

**CONTRACTOR EMPLOYEE  
ACKNOWLEDGMENT AND CONFIDENTIALITY AGREEMENT**

I hereby agree that I will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced Contract between my employer and the County of Los Angeles. I agree to forward all requests for the release of any data or information received by me to my immediate supervisor.

I agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, vendor proprietary information, and all other original materials produced, created, or provided to or by me under the above-referenced Contract. I agree to protect these confidential materials against disclosure to other than my employer or County employees who have a need to know the information. I agree that if proprietary information supplied by other County vendors is provided to me during this employment, I shall keep such information confidential.

I agree to report to my immediate supervisor any and all violations of the contract by myself and/or by any other person of which I become aware. I agree to return all confidential materials to my immediate supervisor upon completion of this contract, or termination of my employment with my employer, whichever occurs first.

I acknowledge that violation of this Agreement will subject me to civil and/or criminal action and that the County of Los Angeles may seek all possible legal redress.

NAME: (Signature) \_\_\_\_\_

NAME: (Print) \_\_\_\_\_ DATE: \_\_\_\_ / \_\_\_\_ / \_\_\_\_

POSITION: \_\_\_\_\_

DISCUSSED WITH EMPLOYEE

(Supervisor Name/Signature): \_\_\_\_\_

NAME: (Print) \_\_\_\_\_ DATE: \_\_\_\_ / \_\_\_\_ / \_\_\_\_

POSITION: \_\_\_\_\_

AGREECD3062.CBA  
cba:05/20/04